



Code of Ethics

Preamble

There is a responsibility on the part of the real estate industry in Spain to set out clearly the procedures, which apply to both clients and agents, so that there are effective, and comprehensive consumer safeguards in place. The Interagency Network Code of Ethics is a comprehensive document detailing the means by which you, the client, can safely and confidently conduct your property purchase in Spain.

This Code of Ethics applies to all Member Agents of the Interagency Network MLS SL, their staff and agents who work within their companies. It is the responsibility of Member Agents to ensure that they, their staff and their agents know and understand their obligations to all parties who are covered by the conditions of this Code.

Member Agents pledge to observe the word and spirit of this Code in all of their activities, and to conduct their business in accordance with the principles set out below.

By these means, and with Network Member Agents only, you have reassurance, as well as the best selection of properties for sale anywhere in Spain.

What is the Interagency Network MLS?

The Interagency Network MLS was established in 2001 with two major objectives.

1. To create an environment where estate agents work together to give clients the biggest choice of properties available for sale in Spain.
2. To provide this service within a regulated, ethical and trusting environment for everyone.

The Network (IN) is a service driven organisation owned and run by Real Estate professionals with years of experience in the business and in Spain. It has grown rapidly, and now represents over 140 real estate offices, including some of the biggest and best known agencies in the market.

Membership of the Interagency Network is subject to careful vetting. Not only are Members required to make a substantial financial investment in the Network, but they are contractually obliged to adhere to the operating procedures and ethics of the Network, showing a clear commitment to the highest standards of professional care.

Each of them has a registered business address from which they operate, and, although they are resident in Spain, most of them originate in other European countries, such as UK, Ireland, Holland, Germany, Scandinavia etc. Rest assured, you will always find a Member who speaks and writes in YOUR language.

Staff members of each Member Agency are obliged to complete a course in this Code of Ethics and agree to abide by its procedures. In addition, they agree to use contracts and paperwork as independently approved by the Interagency Network and by its lawyers, so that the purchase of your dream home is best protected.

To complement the existing consumer protection legislation in Spain, this Code brings an additional level of protection, as well as a higher standard of service, to you when you buy your Spanish home. The following is the Code of Ethics by which, as stated in the preamble, the Member Agents will help you through the whole process.

Duties to Vendors & Buyers

Article 1

When representing a vendor or buyer, Member Agents pledge themselves to protect and promote the interests of their clients. This primary obligation does not relieve the agent of the responsibility to deal fairly and honestly with all parties to the transaction.

Article 2

Member Agents shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. Member Agents, however, will not be obliged to discover construction or technical faults in the property but should declare them if aware.

Article 3

Member Agents shall cooperate with other agents in a professional and courteous manner so as to best serve the needs of buying and selling customers.

Article 4

Member Agents shall hold in a client account in an appropriate financial institution, separate from their own working funds, any monies coming into their possession from purchasing clients.

Article 5

Member Agents shall disclose all information on typical costs of any transaction in a full, fair and accurate manner.

Article 6

Properties can sell quickly, and Member Agents pledge to keep the clients informed, to the best of their knowledge, of the current status of any property about which the client may enquire.

Article 7

Member Agents shall introduce their clients, if requested, to a suitably qualified surveyor capable of conducting a full structural survey on a property.

Article 8

All resale properties listed on the IN MLS database have a signed contract confirming the rights of all Member Agents to offer these properties for sale at the stated price.

Article 9

Member Agents shall take all reasonable care to ensure that properties listed for sale are free of charges and encumbrances and fulfil the legal requirements for sale.

Article 10

Member Agents shall not acquire an interest in a property or buy or present offers from themselves, or any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest without making their true position known to the owner or the owner's agent or representative. In selling property they own, or in which they have any interest, Member Agents shall reveal their ownership or interest in writing to the purchaser or the purchaser's representative.

Article 11

Member Agents shall not offer for sale or advertise property at a price different from that agreed with the seller and confirmed on an Interagency Network contract.

Article 12

Member Agents, prior to entering into an agreement to offer a property for sale, have an affirmative obligation to make reasonable efforts to determine whether the client has already signed an agreement with another Member Agent to provide the same type of service.

Article 13

Member Agents, for the protection of all parties, shall ensure that all agreements shall be in writing and shall be in clear and understandable language, expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party upon their signing or initialling.

Article 14

Member Agents shall, prior to the signing of agreements, fully inform the signing party of all potential expenses for which they may be liable.

Article 15

Member Agents shall treat all information and data collected by themselves or their staff, whether regarding vendors or buyers, in accordance with current legislation regarding data protection. That obligation to preserve confidential information continues after termination of any and all business relationships. Member Agents shall not knowingly, during or following the termination of professional relationships with their clients:

1. reveal confidential information of clients; or
2. use confidential information of clients to the disadvantage of clients; or
3. use confidential information of clients for the Member Agent's advantage or the advantage of third parties unless:
 - i) clients consent to full disclosure; or
 - ii) Member Agents are required by court order; or
 - iii) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
 - iv) it is necessary to defend a Member Agent or the Member Agent's employees or agents against an accusation of wrongful conduct.

Article 16

Member Agents shall encourage parties to a transaction to seek independent legal and/or financial representation, and will effect an introduction to such independent sources if so requested. The introduced provider of that professional service will speak the client's language or a language understood by him. The client may also choose to be represented by a lawyer in his home country, and should he so decide, the client accepts responsibility for ensuring that such lawyer is competent and qualified to act in a transaction occurring within the jurisdiction of the laws of Spain .

Article 17

In the event that a Member Agent introduces any client, whether buying or selling, to any provider of additional or ancillary services or products, he shall endeavour at all times to ensure that the other service provider acts within both the letter and the spirit of this Code, as well as acting within legislation covering that additional or ancillary service or product.

Article 18

Member Agents shall ensure that the description of a property for sale is accurate and complete and fully reflects all details as provided by the vendor. They will, to the best of their ability, complete the appropriate paperwork indicating the details of the property and will diligently confirm all details with the vendor in order to provide comprehensive information to prospective clients. It is, nevertheless, the responsibility of the client at time of purchase, together with his legal representative where appropriate, to ascertain that the vendor has indeed provided true facts to the Member Agent.

Article 19

Member Agents shall present all offers and counter offers in a timely manner.

Article 20

Member Agents have a duty to respond promptly and efficiently to all enquiries from buyers and vendors.

Duties to the Public

Article 21

Member Agents shall not deny equal professional services to any person for reasons of race, colour, religion, sex, handicap or national origin.

Article 22

Member Agents shall endeavour at all times to present a true picture in their advertising and representations to the public.

Article 23

The business of Member Agents shall be conducted in strict accordance with statutory and regulatory requirements.

Article 24

All salespeople representing Member Agents will be trained and accredited by IN and will show their proof of accreditation on demand. IN will write and conduct a suitable training programme and checking process, to enable them to issue cards proving competence and accreditation of Member Agent staff.

Article 25

If charged with unethical practice or asked to present evidence or to co-operate in any other way, Member Agents shall place all pertinent facts before the authorised individuals or bodies.

Article 26

From time to time, Member Agents may offer premiums, prizes, merchandise discounts or other inducements to list, sell or purchase. However, Member Agents must exercise care and candour in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the Member Agent's offer will have clear, thorough, advance understanding of all the terms and conditions of the offer.

Duties to other Agents

Article 27

Member Agents shall never publicly discredit a competitor nor knowingly nor recklessly make false or misleading statements about competitors, their business, or their business practices.

Article 28

Member Agents shall not seek information about a competitor's transaction for the purpose of closing a transaction himself; or for the purpose of interfering with any other contractual undertaking.

Article 29

Member Agents shall not solicit a listing that is currently on an MLS contract with another Member Agent.

Article 30

Agents shall not offer directly to the members of staff of other Member Agents any inducements to sell property listed by them without the express permission of the employers of those members of staff.

Article 31

Member Agents shall not misrepresent the availability of access to show or inspect a listed property.

Article 32

All dealings concerning MLS listed property shall be carried out with the Listing Agent and not with the seller, unless with the previous consent of the Listing Agent.

Article 33

In the event of a dispute concerning an MLS related issue between Member Agents which cannot be settled following representations to the Rules and Ethics Committee

of the Board, all parties agree to submit the dispute to a lawyer appointed by the MLS Board of Directors, and agree to be bound by the decision of said lawyer.

Additional information

- Buying clients are advised to seek proof of title and to ensure that their chosen property is free of charges. If buying land for building, you should ensure that the necessary building licences can be approved. If buying on a development, you should ensure that a bank guarantee, a building licence or a suitable legal safeguard is in place.
- As with any important transaction, it is recommended that you take all reasonable care, and that you seek the relevant legal and financial advice. The age-old legal principle of "let the buyer beware" means just that. You have a responsibility to yourself to ensure that you take all reasonable steps to look after your own interests.

Dispute procedure

In the event that you have a dispute with a Member Agent of IN MLS, there is a procedure in place whereby you have recourse to the Board of Directors of the Interagency Network. This is how it works:

- You should firstly pursue all means to reach an agreement directly with the member Agent.
- If no resolution can be found, you may then present your case to the Rules & Ethics Committee of IN.
- If the Committee decides that there is a case to answer, then they will ask the Member Agent to appear before them.
- Having heard both sides, the Committee will make a judgement.
- If the case is ruled in favour of you, the client, then the Member must abide by the Committee's decision, or must appeal within 7 days.
- If the complaint is subsequently upheld, the Board of Directors of IN will impose a sanction, which may range from a period of suspension of Membership to the maximum penalty, which is expulsion from the Network. This would mean loss of access to properties for sale, loss of all Membership rights and loss of all fees paid to date. This is a severe and substantial penalty, but the Board will not hesitate to use the authority vested in them to impose it if they feel justified in doing so. They will act in such a way, and have done so in the past, in order to protect the standing and reputation of all the Members who act in the best interests of you, the client.

This dispute procedure does not in any way impinge on or replace your right to seek legal redress under current consumer protection laws; rather it is supplementary and

complementary to them. In other words, it is intended to act as an additional safeguard for you in buying in Spain .

Consumer rights

Every municipality in Spain has a public office dedicated to informing you of your rights as a consumer. These offices are known as "OMIC," which stands for "Oficina Municipal de Información del Consumidor". Ask at the tourist office or town hall for directions to your nearest office.

They deal with many questions relating to contracts, guarantees and transactions between businesses and clients. They will of course ask you to produce paperwork to back up your case, and will constitute part of any file that may be presented to a court.

As stated earlier, you can be assured of having all the necessary documentation and copies as IN Members are required to provide these for you. You will also find that you receive copies of any changes that may be made to the original agreement.

Cross border consumer problems

Who can you turn to if you have problems with goods or services purchased in another EU member state? There are ten European Consumer Information centres, known as Euroguichet, supported by the European Commission. These provide information, and in some cases conciliation, for cross-border disputes. More information and addresses can be found at:

http://europa.eu.int/comm/consumers/redress/compl/euroguichet/index_en.htm

In the UK , the first port of call for you would be the Citizens Advice Bureau

Postscript

The "Land Grab" law

The European Parliament Petitions Committee has ruled that the "LRAU", commonly known as the Land Grab law, "constitutes a grave contravention of the most elemental of human rights." This statement should be the beginning of the end of the problems it posed.

What is it?

It is a law, drawn up by the regional government of Valencia and applicable in that region only, which, in common with every other developing country in the world, allows for the change of classification of land from "rural" to "development".

Why is it needed?

Everywhere, land sometimes has to be reclassified to allow for expansion of towns, new homes, roads etc. Changes need to be made, and sometimes individual preferences have to give way to the common good.

How is it a problem?

The law as drawn up by the Valencian Regional Government, which is an autonomous body, was written in such a way as to leave room for abuse. There is only a 15 day notice period, during which time an alternative plan for the land in question must be presented. Given that there are many absentee owners, and that very few people could possibly present an alternative plan in the time allowed, there is an opportunity for the unscrupulous developer to exploit the law.

Who is affected?

In reality, very few people indeed. Remember that the situation arises ONLY in relation to reclassification. If you buy an apartment, or any other property, on land which is already classified for development, then clearly that land will not ever move from rural to development land as that has already happened. In other words, almost everything which is already built is already classified accordingly.

How can I be sure?

Your IN Member Agent will offer you an introduction to an independent lawyer. Ask him to check and confirm the classification of the land, and to check with the town hall as to future plans if it still classified as "rural".

The vast majority of buyers in Valencia have never been, and never will be, affected by this law. If you are looking to buy in an area already developed then it won't affect you either. Be guided by your lawyer. This law has no effect in any other part of Spain .

As stated earlier, it now appears that the situation has changed and that European law will make the necessary amendments to prevent these abuses. A little care and knowledge will ensure that you never have to worry about it.

Testimonials

Mary Dunne: Property Partners Marbella

"The IN Network enables our clients from the UK and Ireland to have access to the widest selection of properties on the Costa del Sol . It is, without argument, a key part of our ability to deliver service and choice."

Mike Ball: Craiglea Estates

*"Collaboration between agents is the key to success, both for our clients and for us.
IN provides the professional platform for that success."*

Marijke de Nier: Residencia Estates

*"For me, a major benefit of the Network is the ability to find exactly the property my
client is looking for, and then to see the purchase through in a smooth and
professional manner."*

Patrick Hughes: Premier Property International

*"We work with Member Agents all along the coast, and feel comfortable in
introducing our clients to those agents as we all work together to get the best for the
client."*