

## **Disciplinary Panel Hearing**

### **Case of**

**Mr Xiacong Hong [7497449]  
China**

### **On**

Thursday 13 September 2018

### **Paper Hearing At**

RICS, 55 Colmore Row, Birmingham, B3 2AS

### **Panel**

Ian Hastie (Surveyor Chair)  
Gregory Hammond (Lay Member)  
Patrick Bligh-Cheesman (Lay Member)

### **Legal Assessor**

Margaret Obi

### **The formal charge is:**

Between 1 January 2017 and 1 February 2018, you have failed to comply with RICS' requirements in respect of Continuing Professional Development (CPD) in that you have not completed and recorded, or caused to be recorded, at least 20 hours of CPD on the RICS CPD portal.

**Contrary to Rule 6 of the Rules of Conduct for Members 2007 version 6.**

## Response

1. Mr Xiacong Hong did not respond to the Listing Questionnaire and therefore the Panel proceeded on the basis that the above charge was not admitted.

## Background

2. From January 2013 RICS members were obliged to complete and record 20 hours' CPD activity by 31 December of each calendar year.
3. Rule 6 provides: **"Members shall comply with RICS requirements in respect of continuing professional development."**
4. The key CPD requirements for members are: –
  - All members must undertake a minimum of 20 hours' CPD each calendar year (January to December).
  - Of the 20 hours at least 10 hours must be formal CPD. The remainder can be informal CPD.
  - All members must maintain a relevant and current understanding of RICS' professional and ethical standards during a rolling three-year period. Any learning undertaken in order to meet this requirement may count as formal CPD.
  - All members must record the CPD activity online by 31 January.
5. The CPD requirements for Members based in China are exactly the same as elsewhere in the world. However, for the convenience of the RICS' China members and in recognition of the occasional difficulties in accessing the website due to occasional disruptions caused by the China government firewall, China members may record their CPD via a spreadsheet. Members email the spreadsheet to RICS who then upload the entries onto the RICS system.
6. For a first breach members who had not recorded sufficient CPD via the RICS online portal were issued with cautions. Members who failed to record sufficient CPD for a second time, via the RICS online portal, within a 10-year period, were issued with a caution and a fine. In accordance with the RICS Sanctions Policy a third breach within a

10-year period would be referred to a Disciplinary Panel and was likely to result in expulsion from RICS.

### **Service and Proceeding in Absence**

7. A Notice of Hearing, dated 15 August 2018, was sent to Mr Hong. The Notice was sent to him by email as his email address was his 'preferred' correspondence address held by RICS at the relevant time. The Panel was provided with a printout of the personal information held for Mr Hong. It was not possible to confirm Mr Hong's email address from the printout. However, the Panel was subsequently provided with confirmation that Notice had been sent to his personal email address. A copy of the Notice and a signed witness statement from the Regulatory Tribunal Executive was produced as proof of that the Notice was sent and the Panel was provided with the email delivery receipt.
8. The Panel was satisfied that Notice had been properly served in accordance with Rule 23 and 43(a) as it:
  - i) confirmed the charge;
  - ii) confirmed the date and time period of the hearing;
  - iii) enclosed the Disciplinary, Registration and Appeal Panel Rules 2009 (as amended);
  - iv) invited Mr Hong to indicate within seven days whether he wished to request an oral hearing.
9. Having determined that service of the Notice of Hearing had been properly effected, the Panel went on to consider whether to proceed with a paper hearing, in Mr Hong's absence, or adjourn in order to conduct an oral hearing.
10. The Panel determined that it was fair, reasonable and in the public interest to proceed with a paper hearing, in Mr Hong's absence, for the following reasons:
  - a) Mr Hong did not request an oral hearing on the Listing Questionnaire. The Panel was satisfied that it was reasonable to conclude that Mr Hong had chosen not to make such a request and was content for the charge to be considered at a paper hearing. In these circumstances the Panel concluded that Mr Hong had voluntarily waived his right to request an oral hearing.
  - b) There has been no application to adjourn and no indication from Mr Hong that he would be willing to attend on an alternative date and therefore re-listing this hearing would serve no useful purpose.
  - c) There is a strong public interest in ensuring that substantive hearings take place as expeditiously as possible

### **Findings of Fact**

11. The Panel was provided with Mr Hong's CPD printouts from the online system. The records confirmed that Mr Hong did not record any CPD hours for 2017. There was no evidence or suggestion that Mr Hong had been granted a concession.
12. Accordingly, the Panel found the factual allegations proved, based on the documentary evidence produced.

### **Liability to Disciplinary Action**

13. The Panel was satisfied that the RICS requirement to complete and record CPD is reasonable and that Mr Hong's failure to comply with those requirements is sufficiently serious to give rise to a liability for disciplinary action. In reaching this conclusion the Panel took into account the fact that the CPD policy has been approved by the Regulatory Board and is an expressly stated RICS rule. The Panel noted that all members agree to adhere to the RICS Rules, Regulations and Bye-Laws and accept that they may be subject to disciplinary action if they fail to do so. The Panel noted that RICS had made efforts to communicate with members via email to remind them of their obligations in respect of CPD. However the Panel was satisfied that whether the reminders were received or not, it is the Members' obligation to complete and record CPD.
14. Accordingly, the Panel was satisfied that Mr Hong was liable to disciplinary action.

### **Sanction**

#### Panel's Approach

15. The Panel took into account the written submissions, on behalf of RICS, the RICS Sanctions Policy and Mr Hong's disciplinary history. The Panel noted that in addition to 2017, Mr Hong had also failed to record any CPD hours in 2015 and 2016 for which he was sanctioned as follows:
  - 2015 – Caution
  - 2016 – Caution and fine
16. The Panel bore in mind that the purpose of sanctions is not to be punitive, although it may have that effect. The purpose of sanctions is to declare and uphold the standards of the profession, to safeguard the reputation of the profession and of RICS as its regulator and to protect the public. Sanctions must be proportionate to the breach and all the circumstances, and a decision should be reached having taken into account any mitigating and/or aggravating factors.

## Decision

17. RICS is a professional membership organisation and sets standards for its members as a condition of membership. It is not difficult to record CPD online. Compliance is not optional. Although the CPD requirements are not dependent on the RICS sending reminders to its members, the Panel noted that Mr Hong was sent several email reminders and in a letter, dated 9 March 2017, in relation to the Caution and Fine for the 2016 breach, he was put on notice that if he did not comply with the CPD requirements in 2017 he would be referred to the RICS Disciplinary Committee.
18. The Panel was unable to identify any mitigating factors.
19. The Panel considered that the following aggravating factors were present in this case:
- Mr Hong has not engaged with the regulatory process
  - There was no evidence that any CPD hours had been recorded at all for the year 2017.
  - There was no evidence of insight, remorse or any attempt to remediate.
20. The Panel concluded that the repeated failure to record CPD was serious and, in the absence of exceptional circumstances, imposing no sanction would be neither proportionate nor appropriate. Whether Mr Hong received the RICS reminders or not, it remained his responsibility to ensure that he complied with his CPD obligations. Furthermore, Mr Hong completed and recorded 60.50 hours of CPD for the year 2014 (the year of his qualification) and there was no evidence before the Panel that he had contacted RICS regarding any subsequent difficulties in recording his CPD online.
21. The Panel went on to consider whether to impose a caution. The Panel concluded that a caution would not adequately reflect the seriousness of the case, recognising the cumulative pattern of non-compliance and the fact that a caution had already been imposed for previous breaches.
22. In considering whether to impose an undertaking the Panel took into account the mandatory nature of the CPD requirements. The Panel noted that the CPD requirements are designed to ensure that the skills and knowledge of RICS members is kept up to date and ultimately to ensure public protection. The Panel concluded that it would not be appropriate or proportionate, in the absence of exceptional circumstances, to impose an undertaking given that Mr Hong should have been completing and recording his CPD online in any event. Even if an undertaking were to be combined with either a caution or

a fine, the Panel concluded that imposing such a sanction would undermine public trust and confidence in the regulatory process.

23. The Panel then considered whether to impose a fine. The Panel was mindful that a fine was imposed on Mr Hong for failing to record his CPD hours for the year 2016. The Panel concluded that, in these circumstances, to impose a further financial penalty would serve no useful purpose as it had not resulted in compliance with the CPD requirements to date. Instead a further fine would undermine the need to uphold the standards expected of all members and the deterrent effect on other members of the profession.
24. The Panel went on to consider conditions. The Panel took the view that imposing a condition for non-compliance of the CPD requirements is appropriate in certain circumstances. However, to impose such a sanction the Panel would need to be satisfied that Mr Hong has demonstrated a willingness to engage with the regulatory process and a willingness to comply with any condition imposed. As Mr Hong has repeatedly failed to comply with the CPD requirements in the past and has failed to respond to written reminders to record his CPD, the Panel could not be satisfied that he would comply with conditions. Therefore the Panel concluded that it would not be possible to formulate conditions which would be realistic or achievable. Furthermore, in the absence of any mitigation, remorse or insight the Panel concluded that Mr Hong's non-compliance with the CPD requirements demonstrated a blatant disregard for the purpose of regulation and consequently undermines public trust and confidence and is fundamentally incompatible with continued membership.
25. Having determined that conditions would not meet the wider public interest the Panel determined that Mr Hong should be expelled from RICS membership. The Panel recognised that expulsion is a sanction of last resort and should be reserved for those categories of cases where there is no other means of protecting the public or the wider public interest. The Panel decided that Mr Hong's case falls into this category as he has repeatedly failed to comply with the fundamental requirement to record CPD and has failed to demonstrate that he has any intention of complying in the future. The Panel was satisfied that, in these circumstances, any lesser sanction would undermine public trust and confidence. In reaching this conclusion the Panel balanced the wider public interest against Mr Hong's interests. The Panel had regard to the impact expulsion may have on Mr Hong but concluded that his interests were significantly outweighed by the Panel's duty to give priority to the public interest concerns raised by this case. The Panel was also mindful that paragraph 21.1. of the Sanctions Policy states that expulsion is likely where there is a third breach of Rule 6 of the Rules of Conduct for members within 10 years of a receipt of a caution for breach of the same rule. The Panel was unable to identify any good reason to depart from the presumption.

26. Accordingly the Panel determined that Mr Hong should be expelled from membership of RICS.

### **Publication**

27. The Panel has considered the policy on publication of decisions, The Sanctions Policy Supplement 3 - Publication of Regulatory Disciplinary Matters. The Panel was unable to identify any reason to depart from the presumption that decisions will be published on the RICS website and in the RICS magazine Modus.

### **Costs**

28. RICS applied for costs of £400.00.

29. The Panel considered carefully the issue of costs and noted that Mr Hong had not provided any evidence of his financial circumstances. The costs figure represents a contribution towards the costs incurred by RICS in preparation for the hearing and the hearing itself. The Panel had no reason to doubt that the costs application was fair and reasonable.

30. The Panel concluded that it was appropriate for Mr Hong to contribute towards the costs of bringing this case, otherwise the full cost of these proceedings would fall on the profession as a whole.

31. The Panel orders that Mr Hong pays to RICS costs in the sum of £400.00 (or the equivalent)

### **Appeal Period**

32. Mr Hong has 28 days, from the service of the notification of the decision, to appeal this decision in accordance with Rule 59 of the Rules.

33. In accordance with Rule 60 of the Disciplinary, Registration and Appeal Panel Rules, the Honorary Secretary of RICS has 28 days, from the service of the notification of the decision, to require a review of this Decision.