

MARINE BROKERS INSTITUTE  
OF WESTERN AUSTRALIA (Inc.)

REGISTERED OFFICE  
CHAMBER OF COMMERCE BUILDING  
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## CODE OF ETHICS

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## CODE OF ETHICS

### FOREWORD

The Marine Brokers Institute of Western Australia (Inc.) encourages the highest standards in brokerage practice.

Its increasing aim is that the practice of brokerage be universally recognised as a profession respected and trusted by all. As a necessary step towards this goal The Marine Brokers Institute of Western Australia (Inc.) recognises the importance of setting out in clear and unambiguous terms a Code of Ethical Conduct. The Code should be observed and practised by all members of affiliated bodies in the letter and the spirit.

In order that the Code may achieve its purpose, it is necessary that members should have an intelligent appreciation of both ethics and the provisions of the Code.

Firstly, what is ethics? Ethics is defined as the science of duty, a system of principles and rules of duty.

Secondly, how does this Code of Ethics affect members of affiliated bodies in the conduct of their business? It is standard of moral conduct promulgated by your Institute for the protection both of the public and of members. It endeavours to give on a high ethical plane to the golden rule.

#### **“DO UNTO OTHERS AS YOU WOULD HAVE DONE TO YOU”**

The Code, if conscientiously adhered to by all members will maintain the prestige of your Institute, increase your pride in your chosen calling and render the conduct of your business easier and more pleasant.

To achieve these ends, members and their employees (particularly sales staff) must be well versed in the provisions of the Code, understand them and conscientiously observe them at all times.

Ignorance of the Code of Ethics will not be accepted as an excuse for its non-observance, by either a member or by one of his staff.

## **CODE OF ETHICS**

Maintenance of the reputation of the Institute and of the high standard of ethical practice, which they promulgate, is the direct responsibility of every member.

The confidence and responsible nature of a broker's work makes it a matter of public concern that the reputation of members' integrity and efficiency should be beyond question.

The prestige of any professional body depends to a great extent upon the ethical standards observed by its individual members, both in their association with one another and in the relationships with the community in general and the duty therefore devolves upon every member to conduct his business in a manner which will effectively uphold and enhance the reputation of the Brokerage profession.

## **INTERPRETATION**

“Member” means any member of the Institute

“Client” means one who retains a member broker to represent his interests in a brokerage in a brokerage transaction.

“Customer” means one who transacts business with a member but does not retain his services.

## **RELATIONS BETWEEN MEMBERS**

### **Article 1**

In the best interests of the public, of the Institute and its members and of his own business, a member must always be loyal to the Institute, and active in its work and he should willingly share with his fellow members the lessons of his experience.

### **Article 2**

A member must so conduct his business as to minimise controversies with his fellow-brokers and avoid conduct that is detrimental to the interests of his Institute and/or that is contrary to good brokerage practice; but in the event of a controversy between members such controversy must be submitted to the Institute for adjudication in accordance with the Rules of the Institute. Such Rules must allow for a right of appeal to a superior body being not less than the Council of the Institute or equivalent or being a mutually acceptable independent arbitrator at the cost of the appellant who have the right to choose either method of adjudication. The decisions in such adjudications shall be accepted as final and binding on the members concerned..

It shall be a breach of the Code of Ethics for a member to resort to action at law before first submitting the controversy to the Institute and/or during adjudication.

### **Article 3**

A member must never publicly criticise a fellow broker.

### **Article 4**

If a prospective buyer expresses to a member interest in a vessel previously offered by a competitor, then such member must treat the proposition, as well as the absent broker, with fairness and in accordance with strict professional courtesy and integrity.

### Article 5

When a member is charged with unethical practice, he must place all pertinent facts before the Institute for investigation and judgement in accordance with Article 2.

### Article 6

When a broker has entered into a brokerage contract or arrangement, members must not induce nor attempt to induce a breach of or interference with that contract or arrangement.

### Article 7

7A If a conjunction (jointly instructed) brokerage has been established such arrangements shall continue until terminated and confirmed forthwith in writing by the brokers themselves either on instruction of the principal or by mutual agreement.

7B As a general rule, and unless it is deemed not to be in the best interests of the principal, members should be willing to act in conjunction (in association) with fellow brokers. Once a conjunctional arrangement (in association) has been established it shall be irrevocable so far as the brokers are concerned unless the listing brokers' authority is terminated or varied by the principal.

7C Any listing secured by a member from another broker shall not be passed on to an additional broker without the consent of the original listing broker and the principal. In particular, the indiscriminate exchange of information between brokers is a practice which cannot be approved.

Negotiations concerning a vessel for which a conjunctional arrangement (in association) is held shall be conducted with the listing broker and not with the principal.

#### Article 8

Members are free to engage in the practice of exclusive brokerage. An owner may thereby secure the services of an expert or specialist in any one branch of the profession. Exclusive brokerage prevents complications, simplifies methods, and maintains the vocation of a member upon a high professional plane. Where a member accepts an exclusive brokerage for a vessel previously listed with other brokers, he should recommend to the vendor that he notify such other brokers, and the member himself should take reasonable steps to see that such brokers are in fact notified of the existence of the exclusive brokerage contract.

#### Article 9

Negotiations concerning vessels which are listed with one broker exclusively should be conducted with such broker and not the owner except when a client is fully aware of his responsibilities to the first broker and despite this knowledge instructs the second broker to list the vessel for sale.

#### Article 10

If a broker places a "for sale" board on a vessel or advertises or offers it for sale by any other method, having exclusive authority to sell, then it shall be unethical for another broker to approach the owner for a selling brokerage unless he first makes contact with the broker who has the exclusive authority.

### **RELATIONS WITH CLIENTS AND THE PUBLIC GENERALLY**

#### Article 11

A member's relationship with his client or customer shall always be confidential.

#### Article 12

In accepting the brokerage for a vessel a member pledges himself to be fair to the purchaser, as well as the owner whom he represents, whose interests he should protect and promote as he would his own.

#### Article 13

In justice to those who place their interests in his hands or seek his services, a member should endeavour to be informed always regarding the law, proposed legislation, and other essential facts, and public policies which affect those interests.

#### Article 14

14A A member acting ostensibly as a broker must not sell any property in which he has or his employees have a direct or indirect interest without first disclosing that interest to the purchaser. The disclosure shall be in the form of a written memorandum, duly acknowledged, stating the nature of the interest and identifying the property and it shall be given to the purchaser before execution of a document to purchase.

14B A member must not have directly or indirectly any interest in any transaction in which he acts or purports to act as broker otherwise than in his capacity as broker, unless his principal, being permitted by law, has given prior written consent thereto.

#### Article 15

A member employed for a fee or commission to purchase a vessel should not act for and accept commission from another principal without the knowledge and consent of both parties.

#### Article 16

A member must not offer a vessel for sale without the authority of the owner. A member placing a sign on a vessel must ensure that

1. He has the authority of the owner to place such sign.
2. He does not place such sign on a vessel where another member already has a sign unless he does so on the express instructions of the owner.
3. He does not obscure the sign of another broker.

No broker shall in any way interfere with another broker's sign or remove it except by direction of the owner, when he shall take all reasonable steps to preserve the sign.

#### Article 17

When asked for advice concerning power or sail vessel's, a member should never offer an unconsidered opinion. His counsel constitutes a professional service which he should not render prior to conducting a full and proper investigation of all the relevant facts and circumstances. A member may, by prior arrangement with his principal, make an appropriate professional charge for such advice.

#### Article 18

A member shall, at all times, be responsible for the actions of his employees in their business relations with fellow brokers, clients and the public, in accordance with this Code of Ethics.

#### Article 19

It is the duty of every member to protect the public against fraud, misrepresentation or unethical practices in connection with brokerage transactions.

#### Article 20

It is the duty of a member to act in a professional manner and to ascertain all available pertinent facts concerning the vessel for which he accepts the brokerage, so that in offering the vessel he may



avoid error, exaggeration, or misrepresentation.

#### Article 21

Vessels should be offered by the member solely on their merit, without exaggeration, concealment or any form of deception or misleading statement.

#### Article 22

The price at which a member offers a vessel should be accordance with the instructions of his principal. However, if a member considers that the price asked by the principal is more or less than fair market value, he shall so advise such principal, so that he may, if he desires, adjust the price.

#### Article 23

The listing of vessels at net price is undesirable and is discouraged.

#### Article 24

It is unethical for the brokerage consultant or consultants to act in the capacity of a Marine Surveyor in respect to any vessel in which e or they have any interest as brokers or otherwise.

#### Article 25

No instructions or inducements from any client or customer will relieve a member from his responsibilities to strictly observe this Code of Ethics.

## **CONCLUSION**

This is your Code.

You must observe it at all times,  
as this will prevent disputes and will  
foster friendly co-operation and  
goodwill between members and the public.