

# **Estate Agents (Amendment) Bill**

## **EXPLANATORY MEMORANDUM**

*Clause 1* cites the purpose of the Act.

*Clause 2* provides that the Act comes into operation on a day or days to be proclaimed.

*Clause 3* defines the Principal Act for the purposes of this Act.

*Clause 4* repeals a regulation making power.

*Clause 5* inserts in the Principal Act a new section 11B which confirms the power of the Estate Agents Board to appoint a fund management agent.

*Clause 6* inserts definitions of “Building Society” and “Financial Institution” in section 58 of the Principal Act.

*Clause 7* amends section 59 of the Principal Act by substituting “financial institution” for “bank” and providing for payment of estate agents’ trust moneys into a special account.

*Clause 8* inserts new sections 60 and 60A in substitution for section 60 of the Principal Act. Section 60 gives the Estate Agents Board power to enter into arrangements with financial institutions for keeping of trust accounts, payment of interest on whole or part of deposits in accounts, payment of whole or part of deposits into a special account, management of funds in a special account and auditing of balances in trust accounts. Section 60A governs investment of money in special accounts and provides that money in special accounts is repayable at any time to estate agents to meet their trust account commitments.

*Clause 9* amends section 61 (1) of the Principal Act to require the Board to keep proper accounts of all deposits paid into special accounts.

*Clause 10* amends section 73 of the Principal Act to provide that interest and capital profit received by the Board under an arrangement with an authorised financial institution under section 60 shall form part of the Estate Agents Guarantee Fund.

*Clause 11* changes references to “bank” in the Principal Act to references to “authorised financial institution”.

*Clause 12* contains consequential amendments changing references to provisions of the Act.

*Clause 13* is a transitional provision.

