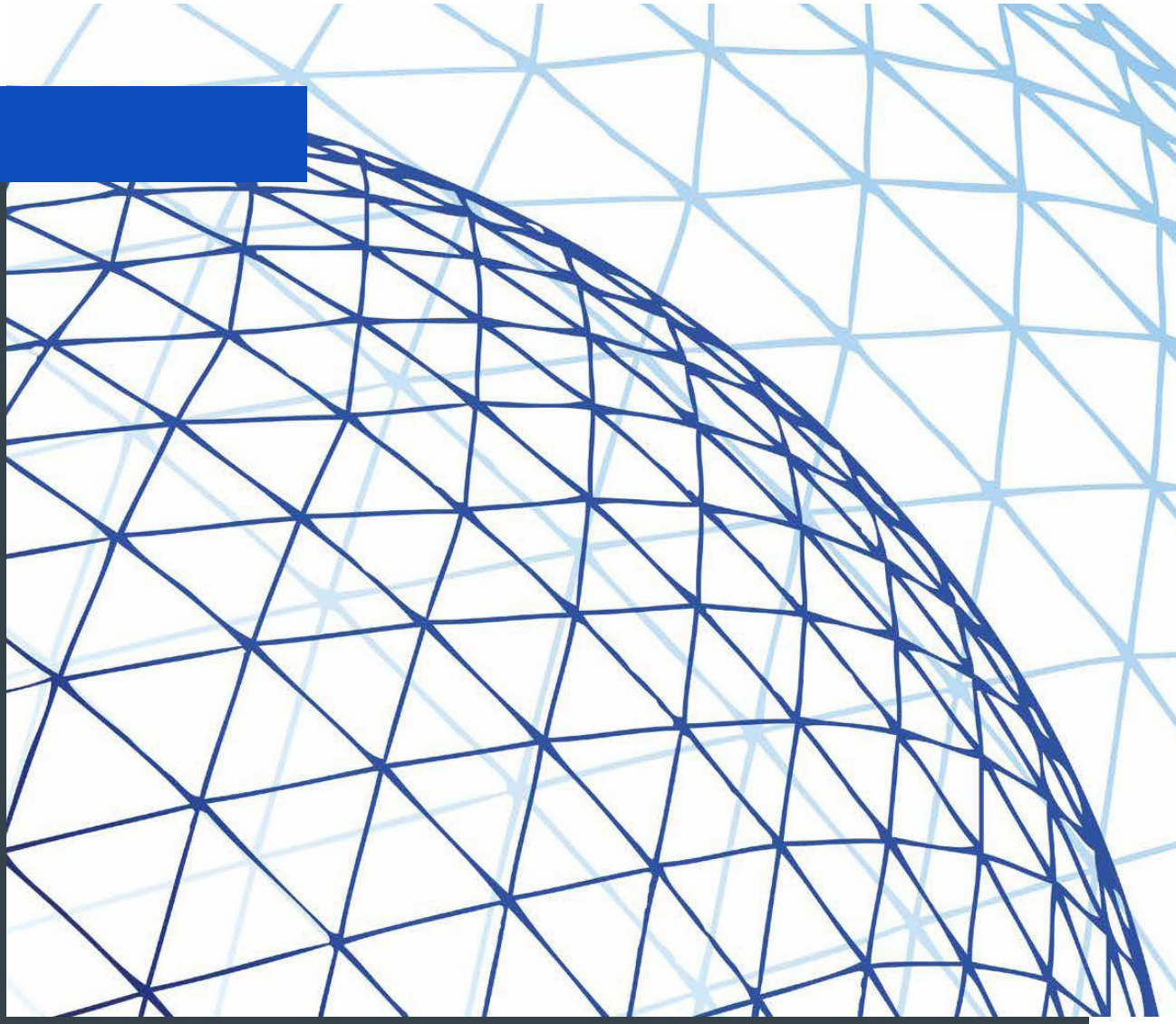
REGULATION



Who will manage your business in your absence?

Guidance for sole practitioners

April 2025

RICS®

The current edition of RICS' Rules of Conduct contains the following provision in Appendix A (Professional obligations to RICS):

> 'Firms with a sole principal **must** make appropriate arrangements for their professional work to continue in the event of their incapacity, death, absence from or inability to work.'

Aim of this document

To ensure that sole practitioners have arrangements in place to cover them for:

- long-term absence because of illness
- in the event of death
- long-term holidays (e.g. longer than a month)
- unforeseen or unavoidable events.

Appointing a locum

A locum is a person who will stand in for you while you are away from the office. If your work includes investment businesses as defined by the *Financial Services and Markets Act* 2000, you are legally required to have a locum.

Another RICS member who works in your area, a solicitor or an accountant are suitable choices to appoint as a locum.

The locum agreement

We would recommend that you have a formal agreement in place with your locum. The agreement should include details of:

- the nature of the appointment
- maintaining your firm's confidentiality
- any possible conflicts of interest the appointment might create
- the fee the locum will be paid
- ending the arrangement
- tour firm's professional indemnity insurance (PII) and
- whether the locum will handle work in hand or needs to get further instructions as and when.

A sample locum agreement is available to download, however, this must not be used without individual legal advice and advice from an experienced professional indemnity insurance broker.

Professional indemnity insurance (PII)

It is important to ensure that your locum is covered by PII. Your broker will be able to advise you on whether it is better for the locum to be covered by their own policy or yours.

In the event of your death, your PII needs to be converted to a run-off policy to cover claims for work that you have previously undertaken to protect your estate and employees.

Accounts

If you hold clients' money, it is important that:

- the locum has access to your firm's accounts in your absence
- your bank has agreed that the locum can access your firm's accounts and
- the locum is aware of your procedures and the requirement in the current edition of RICS' Rules of Conduct to keep clients' money safe.

Access to documents

If you hold documents or accounts electronically, it is important to ensure that either the locum or a trusted employee knows your passwords to access computers and files. Your locum will also need to be able to access:

- a list of clients and up to date files
- your banking, accounting and legal arrangements and
- any tax details not held by your accountant.

Selling your practice

If you are not able to return to work, your locum agreement may need to cover your locum overseeing the sale of your firm.

Notification to RICS

It is important to notify RICS Regulation (contact details below) if your firm is being run by a locum.

Further information

You may wish to seek further information from your lawyer, accountant and insurance broker.

If you have further questions, contact RICS Regulation on 020 7695 1670 or email regulation@rics.org

Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

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