



**THE REAL ESTATE AGENTS AUDIT REGULATIONS 1977,
AMENDMENT NO. 2**

DAVID BEATTIE; Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 7th day of September 1981

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to section 122 of the Real Estate Agents Act 1976, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Real Estate Agents Audit Regulations 1977, Amendment No. 2, and shall be read together with and deemed part of the Real Estate Agents Audit Regulations 1977* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 14th day after the date of their notification in the *Gazette*.

2. Inactive trust accounts—The principal regulations are hereby amended by inserting, after regulation 7, the following regulation:

“7A. (1) Any real estate agent who has no active trust account because the real estate agent—

“(a) Is employed by another licensee as a salesman or is an approved officer of a company licensee; or

“(b) Although previously operating a trust account, is now a member of a partnership which operates its own trust account or accounts; or

“(c) Is, for the time being, not actively engaged in the carrying on of the business of a real estate agent—

shall advise his auditor in writing that his trust account or accounts are inactive, and shall then deliver all his unaudited trust books and records, including all unused receipts and cheques, to his auditor.

“(2) Upon receipt of such written advice and being satisfied that all trust books and records of the real estate agent which he is required to audit under these regulations are in his possession, the auditor shall, in writing, advise the Institute—

“(a) That he has received written notice pursuant to this regulation that the trust account or accounts of his client are not active; and

“(b) That he has received all trust books and records then unaudited and required to be audited by him in accordance with these regulations, including all unused receipts and cheques; and

“(c) That monthly returns of balances and 4-monthly audit reports will not be filed with the Institute until further notice is given in accordance with these regulations (except for such returns and reports as are required up to the date of the giving of the advice to the auditor by the real estate agent).

“(3) Following the giving of such notice to the Institute by the auditor, the auditor shall forward to the Institute not later than the 30th day of April in each year a certificate in respect of the year ending on the preceding 31st day of March, certifying that the provisions of this clause still apply; and any such certificate shall be in lieu of the letter and report referred to in regulation 6 (6) of these regulations.

“(4) While the trust books and records and all unused receipts and cheques of all the trust accounts of any real estate agent are in the possession of the auditor pursuant to this regulation, the following provisions of these regulations shall not apply:

“(a) Subclause (2) of regulation 6, except in respect of any unaudited period prior to the giving of notice and delivery of the trust books and records under this regulation:

“(b) Subclause (7) of regulation 6:

“(c) Subclauses (9) and (10) of regulation 7.

“(5) Before commencing to again operate any or all trust accounts which had previously been notified as being inactive pursuant to this regulation, a real estate agent shall notify his auditor in writing of his intention to activate any or all of the accounts, and the auditor shall then return all trust books and records and unused receipts and cheques to the real estate agent and shall forthwith advise the Institute in writing that the provisions of this regulation no longer apply in respect of that real estate agent.”

P. G. MILLEN,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations amend the Real Estate Agents Audit Regulations 1977, and provide for a method of dealing with the trust accounts of real estate agents who are no longer practising as principals in a real estate business and yet are constrained under the principal regulations to make monthly audit returns.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 10 September 1981.

These regulations are administered in the Department of Justice.