

SANCTIONS AND PENALTY POLICY/Framework **FOR THE REAL ESTATE SECTOR**

PURPOSE OF THE POLICY

This Policy establishes a formal, consistent, transparent, and enforceable framework for the imposition of sanctions and penalties within the real estate sector in Ghana. It operationalises the enforcement mandate of the Real Estate Agency Council (REAC) in accordance with the Real Estate Agency Act, 2020 (Act 1047).

The Policy is intended to guide the Board, Management, staff, inspectors, practitioners, and stakeholders on disciplinary actions, administrative penalties, licence enforcement, and deterrence measures to ensure integrity, professionalism, and public protection in real estate agency practice.

POLICY OBJECTIVES

The objectives of this Policy are to:

1. Enforce compliance with Act 1047 and related regulations
2. Deter unlicensed and unethical real estate practice
3. Promote accountability, transparency, and professionalism
4. Protect consumers, investors, and the public interest
5. Ensure fairness, proportionality, and consistency in sanctions
6. Strengthen confidence in the Ghanaian real estate market

LEGAL AND REGULATORY FRAMEWORK

This Policy is issued pursuant to the following legal instruments:

1. Real Estate Agency Act, 2020 (Act 1047)
2. Anti-Money Laundering Act, 2020 (Act 1044)
3. Regulations and Guidelines issued under Act 1047
4. Any other applicable enactments in force in the Republic of Ghana.

Where there is a conflict between this Policy and any enactment, the enactment shall prevail.

SCOPE OF APPLICATION

This Policy applies to:

1. Licensed Real Estate Brokers
2. Licensed Real Estate Agents
3. Corporate entities engaged in Real Estate Agency Practice
4. Unlicensed persons engaging in real estate transactions contrary to Act 1047
5. Any person or entity subject to the regulatory authority of the Council.

GUIDING PRINCIPLES

Sanctions and penalties under this Policy shall be guided by the following principles:

- **Legality:** All actions shall be grounded in law
- **Proportionality:** Sanctions shall correspond to the severity of the breach
- **Consistency:** Similar breaches shall attract similar sanctions
- **Fair Hearing:** Affected persons shall be given the opportunity to be heard
- **Deterrence:** Sanctions shall discourage future non-compliance
- **Public Interest:** Enforcement shall prioritise consumer protection and market integrity

CLASSIFICATION OF BREACHES

Category A – Minor Administrative Breaches

Includes:

1. Failure to conspicuously display a valid licence
2. Failure to notify the Council of change of business address
3. Late submission of reports
4. Incomplete record-keeping

Category B – Moderate Regulatory Breaches

Includes:

1. Failure to use Council-approved transaction forms
2. Failure to maintain a client account
3. Late licence renewal
4. Obstruction or non-cooperation during inspection

Category C – Serious Professional Misconduct

Includes:

1. Acceptance of cash for transactions
2. Sharing commission with unlicensed persons
3. Dual representation without disclosure
4. Misrepresentation or concealment of material facts
5. Failure to issue mandatory transaction documents

Category D – Criminal and Gross Misconduct

Includes:

1. Operating without a licence
2. Fraudulent acquisition of a licence
3. Falsification of documents
4. Money laundering or terrorist financing
5. Persistent non-compliance after sanctions

SANCTIONS AND PENALTIES

Administrative Measures

The Council may impose one or more of the following:

1. Written warning or reprimand;

2. Mandatory corrective action
3. Mandatory training or compliance programme
4. Publication of sanctions

Financial Penalties

1. Category A: Up to 1,000 penalty units
2. Category B: 1,000 – 3,000 penalty units
3. Category C: 3,000 – 5,000 penalty units
4. Category D: As prescribed under section 54 of Act 1047

Suspension of Licence

Licences may be suspended for periods ranging from thirty (30) days to twelve (12) months where breaches pose risk to clients, the market, or regulatory integrity.

Revocation of Licence

Licence revocation shall apply where:

1. A licence was obtained by fraud
2. The licensee is convicted of a serious offence
3. There is repeated or persistent non-compliance
4. Conduct brings the profession into disrepute

SANCTIONS FOR UNLICENSED PRACTICE

Any person who engages in real estate agency practice without a valid licence:

1. Commits an offence under Act 1047
2. Is liable to prosecution, fines, and/or imprisonment
3. May be barred from applying for a licence for a minimum of five (5) years, subject to Board discretion

TRANSITIONAL AND BACK-PAYMENT POLICY

The Council commenced formal registration and licensing of real estate practitioners in **July 2025**.

Any practitioner who applies for registration and licensing **after July 2026** and who was practising prior to registration shall, in addition to prescribed fees, be required to pay **arrears of registration and licensing fees retroactively from July 2025**.

The number of years for which arrears are payable shall be determined by the Council based on available evidence of practice.

Failure to pay assessed arrears shall result in refusal to process the application and may attract enforcement action for unlicensed practice.

ENFORCEMENT PROCEDURE

Investigation

The Council may initiate investigations through inspections, complaints, intelligence reports, or referrals.

Notice and Hearing

Affected persons shall be issued written notice stating allegations and proposed sanctions and shall be given the opportunity to respond.

Decision and Implementation

Decisions shall be reasoned, documented, approved by the appropriate authority, and communicated in writing.

Appeals

Aggrieved persons may seek redress through the Appeals Committee or the High Court in accordance with Act 1047.

TRANSPARENCY AND PUBLIC DISCLOSURE

The Council may publish sanctioned entities, suspended licences, and revoked licences in the public interest.

REVIEW OF POLICY

This Policy shall be reviewed periodically by the Board to ensure continued relevance, effectiveness, and alignment with law and best practices.

APPROVAL

This Policy is hereby approved by the Governing Board of the Real Estate Agency Council in accordance with the Real Estate Agency Act, 2020 (Act 1047).

Signed,

CHAIRMAN, REAC BOARD