



PLF  – Regulation vs. deregulation 

Regulation
of liberal property surveyors profession
vs.
Deregulation
requirements for growth and competition

— — — —

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0. Agenda  

1. Introduction
2. The European initiatives
3. The Danish study case
4. Final remarks – opinions




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1. Introduction

1.1 Key question

- Regulation vs. deregulation
 - "Is it possible to combine the two societal requirements
 - 1) regulation safeguarding *legal certainty* and *consumer protection* and
 - 2) deregulation requirements for creating *growth* and *competition*
 in a cadastral process carried out in a business model around a private practicing surveyor?"




FIG  3

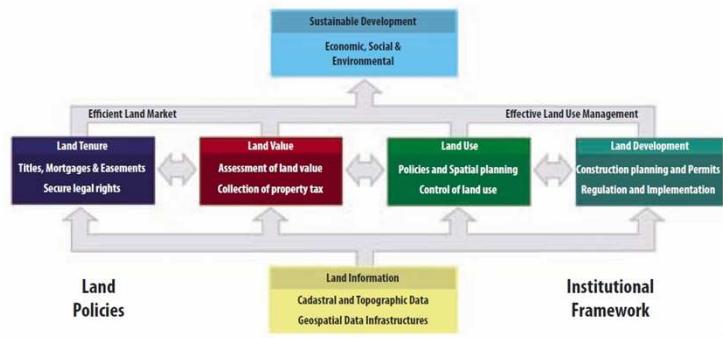
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1. Introduction

1.2 Cadastral systems

- The foundation for land administration
 - Societal impact – economic, social and environmental



The diagram illustrates the foundation for land administration. At the top is 'Sustainable Development' (Economic, Social & Environmental). Below it are two main pillars: 'Efficient Land Market' and 'Effective Land Use Management'. 'Efficient Land Market' includes 'Land Tenure' (Titles, Mortgages & Easements, Secure legal rights) and 'Land Value' (Assessment of land value, Collection of property tax). 'Effective Land Use Management' includes 'Land Use' (Policies and Spatial planning, Control of land use) and 'Land Development' (Construction planning and Permits, Regulation and Implementation). These four pillars are supported by 'Land Policies' and 'Institutional Framework'. At the base is 'Land Information' (Cadastral and Topographic Data, Geospatial Data Infrastructures). Arrows indicate interactions between the pillars and the base.

(Enemark 2004)




FIG  4

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1. Introduction

1.2 Cadastral systems

- **A need for regulation – selfregulation**
 - Task performance – basic requirements: Fit for tasks
 - Trustworthy
 - Transparency
 - Professionalism
 - Legal certainty
 - Consumer protection

➔ = Sustainability

- **Why? – It ´s all about people and human relations!**







FIG  5

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2. European initiatives

2.1 European Union COM(2013)676

- **Issue**
 - Regulatory framework for professional services remains fit for purpose
- **Requirement**
 - Remove barriers on access to professions
- **Actions**
 - Review and modernizing regulations on access to professions or professional titles
- **Purposes**
 - Stimulate employment creation and economic growth




FIG  6

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2. European initiatives

2.2 European Union – A regulated profession

- **Definition**
 - A profession where access to the professional activities or the use of a professional title is subject to legislative or administrative controls to ensure that the professional possesses specific and sufficient professional qualifications
- **Liberal property surveyor**
 - A regulated profession due to task performance with **public authority** on societal **infrastructure** – managing **property rights** and authoritative legal and spatial **basic data**




FIG  7

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2. European initiatives

2.3 CLGE – “Code of professional qualifications”

- **Professional qualifications and prerequisites**
 - Topics
 - Education
 - Practice
 - Approval
 - Continuing professional development (CPD)
 - Purposes
 - Possession on specific and sufficient professional qualifications
 - = **Consumer protection**




FIG  8

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2. European initiatives

2.3 CLGE – “Code of professional qualifications”

- Professional business and disciplinary requirements
 - Topics
 - Appointment
 - Insurance
 - Penalty board
 - Quality control body
 - Ethical code
 - Purposes
 - A responsible and professional business model based on high ethical principles
 - = Legal certainty and consumer protection




FIG  9

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3. The Danish study case

3.1 The cadastral system

- Characteristics of the Danish cadastral system
 - Public-private cooperation model – the Danish Geodata Agency and the practicing chartered surveyors
 - Multipurpose legal cadastre = Property register and authoritative basic data (free access and free use)
 - Subdivision control – legality of property change and land use
 - Consideration for “third parties” – rightsholders protection
 - One “united” cadastral sector – authority and profession body
 - Personal responsibility – performing cadastral work
 - Impartiality – performing cadastral work
 - Transparency, legal certainty, consumer protection
 - = Sustainability


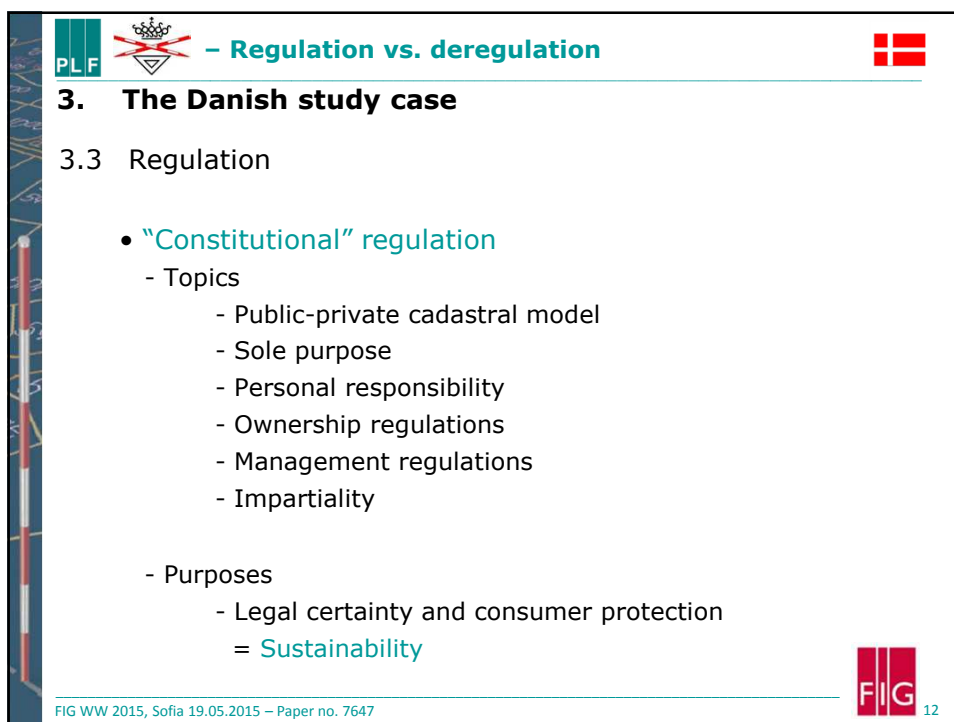
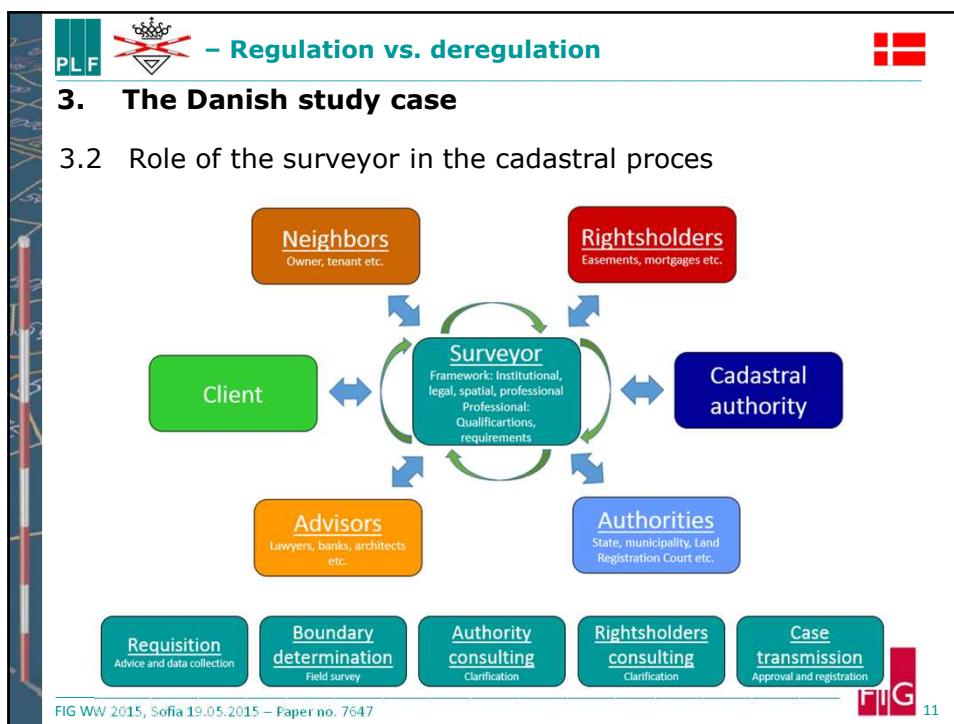


FIG  10

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3. The Danish study case

3.3 Regulation

- Professional qualifications and prerequisites
 - Topics
 - Academic education – bachelor (3) + master (2)
 - Professional practice – 3 years
 - License – approval to conduct cadastral work
 - CPD – recommendation 37 hours per year
 - Purposes
 - Possession on specific and sufficient professional qualifications
 - = Consumer protection




FIG  13

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3. The Danish study case

3.3 Regulation

- Professional business and disciplinary requirements
 - Topics
 - Insurance – personal professional indemnity
 - State board of appeal – Professional and conduct claims
 - Disciplinary committee – DdL professional claims
 - Remuneration committee – PLF fee claims
 - Ethical code – code of conduct for surveyors practice
 - Purposes
 - A consistent appeal system and the development of good surveyors practice
 - = Legal certainty and consumer protection




FIG  14


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3. The Danish study case

3.4 Growth Initiative no. 49

- **Problem**
 - "Current ownership restrictions limit access to the profession, which can potentially limit the competition in the area"
- **Purpose**
 - "Create growth by ensuring competition and remove unnecessary barriers and burdens.
 - Less administrative burdens, increasing productivity and competition = lower prices"
- **Action**
 - "Launching a study of ownership restrictions for chartered surveying companies"


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3. The Danish study case

3.4 Growth Initiative no. 49

- **Concrete proposals – new rules**
 - Abolishing of sole purpose requirements
 - Abolishing of ownership and management restrictions for chartered surveying companies
 - Abolishing personal responsibility
 - Business management will be held responsible for the performance of cadastral work
 - Notification duty and approval of quality procedures for companies who wants to perform cadastral work
 - Risk based control on companies performing cadastral work

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3. The Danish study case

3.4 Growth Initiative no. 49

- **Directly consequences**
 - Anyone can buy and operate a chartered surveying company
 - Responsibility for the performance of cadastral work is not anchored in company management
 - More administrative burdens on the authority and companies
 - Increased public control task




FIG  17

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3. The Danish study case

3.4 Growth Initiative no. 49

- **Direct derived risks**
 - The economic independence of surveying companies weakens
 - There may be doubts about the surveyor companies impartiality and representation of interests
 - Consumers will find it more difficult to assess the quality of a surveyor performance
 - The link between performance and professional identity loses some of its importance
 - Surveyor's professional integrity weakens




FIG  18

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3. The Danish study case

3.4 Growth Initiative no. 49

- Possible threats
 - Less competition
 - Coherence in the cadastral sector disappears
 - Difficult to maintain a uniform code of conduct for surveyors practice and thus a high professional level
 - A single business professional representation of interests and development of the cadastral area at risk of disappearing




FIG  19

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4. Final remarks - opinion

4.1 PLF opinion

- Opinion 1
 - The premises for Growth Initiative no. 49 are wrong and promoting growth initiative no. 49 can weaken both legal certainty and consumer protection
 - no administrative burdens
 - productivity depends on societal economic conditions
 - competition is intact – 75 percent of cadastral works is settled on a completion proven price





FIG  20

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4. Final remarks - opinion

4.1 PLF opinion 

- **Opinion 2**
 - A prerequisite for the legal certainty of the total property formation process are "citizens" access to independent surveyors free of special interests that are the surveying company irrelevant, and as only handles ownership and boundary interests for the benefit of the whole community





FIG  21

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4. Final remarks - opinion

4.1 PLF opinion 

- **Answer of the key question:**
 - Putting liberalization higher than legal certainty and consumer protection at an economical infrastructure task (cadastral work) relating to property, property formation and property registration - this is a challenge for legal certainty and consumers protection.


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Thank You for Your attention

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