

***AUSTRALIAN
INSTITUTE OF
BUSINESS BROKERS
INCORPORATED***

REGULATIONS

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REGULATIONS

AUSTRALIAN INSTITUTE OF BUSINESS BROKERS INCORPORATED

**EFFECTIVE
13th July 2010**

1. INTERPRETATION AND DEFINITIONS

1.1 These regulations are the Regulations of Australian Institute of Business Brokers Inc. (the “Institute”), as determined by the Committee from time to time, which are not specifically included in the Constitution of the Institute (“Constitution”). These Regulations should be read in conjunction with the Constitution.

1.2 In these Regulations, unless the context requires otherwise, capitalised terms have the same meaning as in the Constitution and in addition:-

‘Client’ or ‘Clients’ means the persons or firms for whom work is carried out in the Practice of a Member and may, if the context allows, include both the principal and the prospective or actual purchaser.

‘Practice’ means the activity of business brokerage and/or consulting carried on by the Member.

2. MEMBERSHIP

- 2.1 Every member who is admitted to the Institute becomes a member of the Australian Institute of Business Brokers Inc.
- 2.2 An application for membership of the Institute shall be on the applicable form attached to these Regulations, and must be lodged with the Institute Secretary at the address as provided for on that form.

2.3 *Membership Classes*

Classes of Membership shall be as follows and all persons or entities admitted to membership of the Institute as a member of one of the following classes will be Members of the Institute:

- a. Ordinary Members
- i. Members. Comprising Natural persons whose principal occupational activity regularly includes advising, analysing, consulting and/or negotiating for, or in relation to, the sale of businesses AND who have satisfied the Committee of their suitability to become Members. In those States and Territories of Australia which require principals of business brokerage practices to be licensees then in those states all Members will be required to be so licensed.
- ii. Life Members A maximum of five at any one time, who must, in the opinion of the Committee, be individually deserving of Life Membership because of outstanding service and commitment to AIBB.
- iii. Fellows Members who have derived their major source of income from Business Broking continuously for the past ten (10) years. (Members will automatically be upgraded to Fellows on the tenth anniversary of their commencement date of Membership with the Institute. Individuals in the opinion of the committee that have made a major contribution to the AIBB may also with the consent of the committee be elevated to Fellow.
- b. Associate Members
Associate Members, who are non licensed natural persons, must be in the employ of a licensed Agent.
- c. Affiliate Members
Related professional persons and professional bodies who wish to maintain an affiliation with and or be kept informed of the Institutes policy and direction.

2.4

- (a) Voting Rights: Life Members, Fellows, ordinary Members & Associate Members shall have full voting rights at general meetings of members.
- (b) Membership entitles the Member to all privileges and obligations of membership as described in the Constitution and in these Regulations.

2.5 Members shall be entitled to use the following letters after their name.

Member:	(M.A.I.B.B.)
Life Member:	(L.M.A.I.B.B.)
Fellow:	(F.A.I.B.B.)
Associate Members:	(A.A.I.B.B.)
Affiliate Members:	Not applicable

2.6 *Use Of The Coat of Arms & Logo*

- a) Upon being accepted, a Member shall be entitled to:
 - i. Display to the public and or client view at each office of operation the Coat of arms of the Institute and AIBB logo.
 - ii. Include the Coat of arms of the Institute & Logo on their letterhead and other stationery identification.
 - iii. The inclusion of the Coat of Arms & Logo on the members website.
- b) And on ceasing to be a Member, all Copies of the Coat of Arms & Logos must immediately be removed.

3. ESTABLISHMENT OF STATE CHAPTERS

- 3.1 The national executive will arrange the establishment of state chapters in accordance with the constitution and these regulations, and will appoint a transitional chairman for each state until the newly elected members of the state committee elects office bearers.

The transitional chairman will be responsible for arranging an election by the members of their state, for the committee members, within the first 3 months of his or her appointment.

In the event that this does not occur then the Aibb Executive Committee may extend the appointment of the transitional chairman until the following AGM.

3.2 *States & Territories*

ACT will be included in the NSW state chapter

TAS will be included in the VIC state chapter

NT will be included in the SA state chapter

4. COMMITTEE'S & OFFICE BEARERS

4.1 Election Of Committee's & Office Bearers

- a) The National Executive Committee of the Institute shall comprise a minimum of six (6) Members and a maximum of Ten (10) Members. The executive shall be made up of the president of each state chapter or his nominee. Any remaining positions will be elected by the members at the AGM.
- b) The committee elected at the AGM shall nominate the following office bearers
 - Vice President
 - Treasurer
 - State Coordinator
 - Chairpersons of the following sub committees
 - Education
 - Conference
 - Membership Marketing Human Resources
 - Business Valuation

The National President at the end of their term, shall be replaced at the AGM by the state president in accordance in 4.2 (a),(b),(c)

4.2 Appointment Of The National President

- a) The President shall be appointed on a rotational basis at the AGM from the presidents of each state.
- b) The rotation will be in the following order:
 - NSW
 - QLD
 - VIC
 - SA
 - WA
- c) In the event that any state has not been formed or has not complied with these regulations, the next state in order of rotation will apply.

4.3 National Sub Committees

- a) Shall be headed by a chairperson appointed by the national executive, and will then comprise of the chairperson of each state sub committee, and other volunteers. The chairperson shall report to the National Executive.
- b) Each subcommittee will prepare a detailed budget and deliver to the national treasurer for approval.

4.4 *Conference Planning*

The Conference Planning Committee shall devote its efforts to:

- To plan dates and venue's for the annual conferences
- The development of program content for the Association's annual conference
- Preparing the budget for the conference
- Decide on topics, speakers, workshops and overall development of the program
- Arrange & locate speakers and topics of interest to members
- Plan & Implement the Association's conference sponsorship program
- Providing support for the marketing and promotion of the conference

4.5 *Education*

The Education Committee is responsible for the following:

- Planning & implementation of the educational programs, including CBI & MAAMI Credentialing
- Oversee requirements and approval of all certification
- Ensures the state Chapter Education Committee has planned and delivered CPD courses and other courses to the members in those states
- Evaluate current courses and suggest development of new courses

4.6 *Membership, marketing and human resources*

The Communication Committee develops and oversees:

- Annual membership retention and recruitment programs
- Contacts new members, Contacts prospective members
- Contacts non renewing members for the purposes of recruiting new and retaining existing members,
- Recommends and implements marketing and promotion initiatives for membership growth and retention
- Oversee Public Relations activities
- Prepares Press Releases on topics, issues, changes and announcements of activities of the Association
- Coordinates with other Committees and the leadership activities directly or indirectly related to public relations
- Identifies and attracts new committee members from time to time

5. BUSINESS VALUATION CHAPTER

The chapter will be dedicated to promoting the interests of AIBB Registered Business Valuers.

5.1 Objective

- To establish a body for RBV graduates to represent their interests to relevant groups.
- To manage and continue to offer the Registered Business Valuers course.
- To participate in the development and operations of the AIBB BizStats Benchmark Sales Data web site
- To establish a separation of interests between the Valuation role and Business Broking.
- To enhance the recognition of the RBV qualification.
- To establish the recognition and achievement a high level of ethical behaviour by members.
- To continuously develop their existing skills.
- To develop a range of programs for graduates to extend their skills to higher and more specialised methodologies.
- To provide a forum to mutually benefits from each other's experience and share information.
- To develop a camaraderie of Valuers.

5.2 Regulations

- The chapter will be bound by the administrative rules applying to interstate chapters.
- The chapter will elect its own office bearers being a president, a secretary/treasurer, a communications manager and RBV committee.
- To qualify for membership the applicants must be a qualified AIBB Registered Business Valuer, course presenter or content provider.
- There will be an annual member fee of detailed in Section 10 to cover communication documents, administration.
- A specialise valuation Code of Conduct and Ethics to be established.
- The AIBB complaint and dispute resolution and sanction procedures to apply.
- A logo to be adopted to identify graduates.
- An internet post side to be developed for the exclusive use members.

5.3 Limits of Authority

- Will be in accordance with AIBB regulations 6.3

5.4 Tactics

- Develop a national and regional business plan for the chapter
- Communicate with Stake Holders at a state and national level to promote recognition of the qualification.
- To liaise with the development and operation of the BizStat site.
- Maintain regular communication with members through the Post site. Newsletters, teleconferences and local meetings of state members.
- Prominently display the logo on all RBVs correspondence and literature.
- Develop promotional literature to circulate to potential users and influencers.

6. STATE CHAPTERS

6.1 *State Chapter & State Sub Committees*

- a) The State Chapters of the Institute shall comprise a minimum of four (4) and a maximum of Ten (10) Members
- b) Each State Chapter will be represented at the Executive Committee by its State President.
- c) The state chapters must hold their Annual General Meetings within 30 days prior to National Annual General Meeting for the Australian Institute of Business Brokers Inc.
- d) Each State Chapter shall comprise of the following office bearers
President
Vice President
Treasurer
State Education Chair
State Conference Chair
State Communication Chair
- e) The elected president must have been a member of the institute for at least 2 years
- f) if at any time the State Chapter is deadlocked in a decision making process, the State President will advise the National President within seven (7) days of the State President becoming aware of such deadlock and the National President of the AIBB will take the matter to the National Executive of the AIBB for a resolution of the deadlock. If following such referral, a resolution is still not capable of being made; the National President of the AIBB will resolve the issue.
- g) State Chapters to be conducted in accordance with the constitution, Regulations, Rules and Code of Conduct of the AIBB.

6.2 *Scope Of Activities For State Chapters*

- a) The States shall:
 - Make representations on behalf of the AIBB on state issues
 - Promote & develop new members
 - Maintain communication/network with state members
 - Conducting regular membership meetings
 - Conduct seminars and training
 - Promote the AIBB and its aims and objectives
 - Make a representative available for Monthly National Executive meetings.

6.3 *The Authority of each state chapter is limited to the following*

- a) Public announcements may only be made in relation to the activities of that State Chapter by the State President.
- b) Any Writs or other Legal Notices received by the State Chapter to be advised to the State Chapter Coordinator of the National Executive, who will in turn notify the National executive.
- c) Any breaches by State Chapter members of the AIBB Code of Conduct or their Legal Responsibilities to be advised to the State Chapter Coordinator who will in turn notify the National executive.
- d) Any adverse publicity affecting the AIBB to be notified to the State Coordinator of the National Executive who will in turn notify the National executive.
- e) The State chapter will not instruct solicitors or other advisers without agreement with the President of the National Executive.
- f) The State Chapter will not alter the Livery of the AIBB without the agreement of the National Executive
- g) The state chapter will not without the approval of the National Executive Committee enter into any transactions which could commit the State chapter or the AIBB to an amount in excess of \$5,000.00
- h) The State Chapter will only incur costs which are included in the approved State Chapter Budget.

6.4 State Chapter Funding And Financial Management

- a) State chapters will be funded by the National Executive via the National Secretariat in accordance with a budget agreed with the National Executive at the time intervals included in the budget.
- b) An annual budget for state chapter operations must be submitted to the National Executive for approval, immediately following the state chapters annual general meeting.
- c) State Financial reporting to the national body will be a key task of the state treasurer, any Assets and funds received by a State Chapter from a donor which stipulates the geographical area to which they apply to be used and the manner and purpose for which they are to be used must be used by that State Chapter in strict accordance with those stipulations.
- d) Any income received other than amounts included in the agreed budget or approved activity is to be advised to the National Secretariat.
- e) The State Chapter will open a trading Bank account with cheques to be signed by 2 members of the State Chapter Committee
- f) The State Chapter is to maintain a Cash Book of Income and Expenditure which is to be reconciled with the bank statement at the end of each month and a copy of the reconciliation forwarded to the National Secretariat who will in turn notify the National executive.
- g) The State Chapter to Supply information to the National Secretariat for preparation of the quarterly Business Activity Statement.

7. CODE OF CONDUCT

The Code of Conduct is to be read as a pre-requisite to Clause 3.7 of the Constitution and is designed to protect the integrity of the industry and its image with members of the public, as well as with governments and regulators. Compliance with the Code is a requirement of membership of the AIBB and failure to act in accordance with the Code may lead to disciplinary action as provided for in Clause 3.7 of the Constitution.

7.1 The Public Interest

Members must at all times act in, and protect, the interests of their Client provided that in so doing the Member does not conflict with civil, legal, or social responsibilities.

7.2 Integrity

Members must act honestly, fairly and professionally with all parties in a transaction and must not mislead or deceive any parties in negotiations or a transaction. Members must not solicit clients through advertisements or other communications that the member knows or should know are false or misleading.

7.3 Objectivity And Independence

Members must be objective and impartial in the performance of their professional duties.

7.4 Competence And Due Care

Members must be objective and impartial in the performance of their professional duties.

7.5 Compliance With Standards

Members must comply with any legal requirements established for the profession and with the Institute's Code of Conduct at all times.

7.6 Act With Legal Authority

Members must not hold themselves out to be general investment advisers, legal advisers, tax advisers or securities dealers or practice any other professional discipline which requires a specific licence unless they are separately qualified and currently licensed to do so.

7.7 Act In Accordance With Client Authority And Instruction

Members must not act, or represent themselves as acting, as an agent on behalf of a person without written authority and must act in accordance with a client's instructions unless it would be contrary to existing regulations or unlawful to do so.

7.8 Confidentiality

Members must not, at any time, use or disclose any confidential information obtained while acting on behalf of a client unless the client authorises disclosure or the agent is permitted or compelled by law to disclose. Members must not use such information for their personal advantage or that of a third party.

7.9 Image Of The Profession And The Institute

Members must refrain from any conduct or action in their professional role which may directly or indirectly improperly damage the good name and reputation of the profession, the Institute or any of its Members.

7.10 Professional Fees And Disclosure

Members must not, at any time, use or disclose any confidential information obtained while acting on behalf of a client unless the client authorises disclosure or the agent is permitted or compelled by law to disclose. Members must not use such information for their personal advantage or that of a third party.

7.11 Funds Held In Trust And Clients Monies

Monies received for a stated purpose shall be regarded and used as monies in trust. Members who hold funds in trust must keep accurate records necessary to show their client that the funds have been correctly administered. All client trust funds must have a sequentially numbered trust account receipt issued and must be deposited to a bank account styled "Trust Account", operated in accordance with the relevant State legislation.

7.12 Solicitation

The direct uninvited solicitation of a specific potential Client or other professional engagement from another Member is prohibited.

7.13 Conflict Of Interest

Members engaged in the provision of professional business brokerage services must not at the same time engage in any business or occupation which may create a conflict of interest to the relevant parties, without first fully disclosing that interest to the relevant parties and gaining their approval.

7.14 Loans To Or From Clients

No member or other person in a member's practice, is to accept, directly or indirectly, goods or services from a client for personal (including family) use on terms more favourable than those commercially available to others except to the extent that such would be considered by ordinary standards of common sense to be unsolicited and of a minor or trivial nature.

7.15 Management Consulting Services

If providing management consulting services to a client, a member or person in the member's practice must not participate in the executive function of that client unless and only to the extent authorised, in writing by the engagement brief.

7.16 Process Of Complaint And Dispute Resolution

Where possible, all disputes are to be referred to the Disputes Committee and will be dealt with in accordance with Complaint and Dispute Resolution Procedures detailed within these Regulations. Where a dispute exists between member and member, such dispute must be referred to the AIBB Disputes Committee to be dealt with in accordance with the Complaint and Dispute Resolution Procedures detailed in Clause 5 of these Regulations.

7.17 Standards Of Practice And Professional Conduct

The Institute may from time to time determine, amend and issue Standards of Practice and Professional Conduct consistent with this code, for the guidance of members and good order and reputation of the business broking profession and of the Institute and its members.

8. COMPLAINT & DISPUTE RESOLUTION PROCEDURES

- a) All complaints and disputes between member brokers should be kept “in house” as much as possible, and involve as few mediators as necessary to develop a solution which is acceptable to all parties. All member brokers agree to be bound by the Code of Conduct and participation in this dispute resolution process is obligatory for all members before embarking on any process of litigation. Before any one member can proceed to litigate against another member, a notice confirming the mediation process has failed must first be obtained from the AIBB Disputes Committee.
- b) The National President or the AIBB Disputes Committee will appoint a broker who in the opinion of the President or Committee has the capacity to manage the dispute resolution process. The appointee will be remunerated at a rate of 75% of the combined application fees paid by the disputing members.
- c) The AIBB Disputes Committee must be seen to be impartial and if any personal or business relationships exist between a member broker involved in a dispute and a member of Disputes Committee, the latter must refrain from involvement in the dispute, disqualify him or herself from the process, and request the AIBB Disputes Committee appoint a replacement.
- d) The Executive Committee will from time to time appoint people to the AIBB Disputes Committee who are, in the opinion of the Committee, capable of conducting a process of mediation. All appointees to the AIBB Disputes Committee must be financial members at the time of their appointment.
- e) The role of the mediator is to facilitate the negotiation process by assisting and encouraging both parties to reach agreement. The mediator will not determine the outcome of a dispute other than by assisting both parties to articulate and discuss their disagreement with a view to reaching a compromise that will also seek to preserve their relationship.
- f) The AIBB Disputes Committee reserves the right to protect consumers and members alike from frivolous and unmeritorious claims and further reserves the right to withdraw its process of Alternative Dispute Resolution in circumstances in which the AIBB Disputes Committee considers it appropriate to do so.

8.1 *Complaints From Member Broker Against Member Broker*

- Complaint received and logged (interim response to complainant member acknowledging receipt and logging)
- Member against whom the complaint is logged is advised of the complaint and given the opportunity to respond to the AIBB Disputes Committee within 7 days
- AIBB Disputes Committee is to consider submissions from both parties (obtain further info if necessary) and to provide suggested resolution in writing within 21 days of initial receipt of the complaint
- If the suggested resolution is not acceptable to both parties, the parties must endeavour to settle the dispute by mediation. Such mediation is to be conducted by a mediator who is independent of the parties and appointed by the AIBB Disputes Committee. The mediator appointed by the Disputes Committee will not have been involved in any of the prior attempts at resolution of the dispute.
- If the matter is mediated, fees of \$300 for a half day will be payable by each member broker involved in the dispute, as outlined in Clause 7 of the Regulations. If the mediation process takes more than half a day, fees will be \$500 per day payable by each member broker.

8.2 *Complaints From Clients Of Member Brokers*

- Complaint received and logged (interim response AIBB to complainant advising of procedure/response times)
- Detail referred to member broker
- Member broker to attempt to resolve direct with client
- Member broker to advise AIBB of progress/resolution within 7 days
- If unable to resolve, member broker to provide AIBB with response and all relevant documentation
- AIBB Disputes Committee to consider submissions from both parties (obtain further info if necessary) and to provide suggested resolution in writing within 21 days of initial receipt of complaint
- Member broker must accept resolution; client does not have to – if client still dissatisfied, suggest mediation (mediator to be member of AIBB Disputes Committee not yet involved in complaint handling).
- If the client chooses to accept mediation by the AIBB, such mediation is to be conducted by a mediator who is independent of the parties and appointed by the AIBB Disputes Committee. The mediator appointed by the Committee will not have been involved in any of the prior attempts at resolution of the dispute.
If the client seeks AIBB mediation, a fee of \$600 for a half day will be payable by the member broker involved in the dispute, as outlined in Clause 6 of the Regulations. If the mediation process takes more than a half day, the fee will be \$1,000 per day payable by the member broker.

9. AFFILIATED INSTITUTIONS, ASSOCIATIONS AND PROFESSIONAL BODIES

The following bodies have been deemed acceptable as affiliated bodies (as distinct from Affiliate Members) of the Institute and their particular interests may be taken into account by the Committee, where possible, in the making of Institute decisions.

- International Business Brokers Association
- Australian Chamber of Manufacturers
- Australian Institute of Management
- Australian Society of Certified Practising Accountants
- Commercial Law Association of Australia Ltd
- Council of Small Business Associations of Australia
- Franchise Council of Australia
- Institute of Chartered Accountants in Australia
- Institute of Management Consultants
- Law Council of Australia (and its state member bodies)

10. INSTITUTE FEES

Joining Fee (A once only fee charged to every Member)	\$ 50.00 + GST
Member, Annual Subscription	\$195.00 + GST
Associate Member – Annual subscription	\$ 95.00 + GST
Affiliate Member – Annual subscription	\$195.00 + GST
CBI	\$80.00 + GST
Annual CBI fee	\$100.00 + GST
M&AMAI	\$80.00 + GST
Annual M&AMAI fee	\$100.00 + GST
RBV Annual re-credentialing	
Appeals to Committee	\$300.00 + GST
Mediation – Member and Member (payable by each)	\$300 + GST per half day
	\$500 + GST per full day
Mediation – Member and Client (payable by Member)	\$600 + GST per half day
	\$500 + GST per full day
Valuation Chapter Membership	\$TBA



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MEMBERSHIP APPLICATION

Please accept my application to join the Australian Institute of Business Brokers Inc.

Name:.....

Residential Address:.....Phone:.....

Employer Name:.....

Employer Address:.....P/code.....Phone:.....

Fax:..... Mobile:..... Email:.....

Do you hold a Business Agent's Licence? NO / YES Licence No:.....

Please attached a copy of your license or certificate

In which States of Australia are you licensed to operate as a business agent?

.....

What, if any, other Qualifications/Registrations/Licences do you hold?.....

.....

* Referring Broker:..... Note: Only 1 per application

I enclose my payment for Membership and Joining Fee to the Australian Institute of Business Brokers Inc, as follows. I understand that should my application be refused, I will be refunded the enclosed sum in full. I note that fees for a full calendar year are payable in advance, and that any credit available to me as a result of joining mid year will be credited (in quarterly increments) at renewal

***(Please delete membership types and fees not applicable)**

*Full Member (holders of Business Agent's Licence) \$300.00. + GST \$330.00

*Affiliate \$300.00 + GST \$330.00

*Associate Member (Registered Sales Persons) \$ 150.00+ GST \$165.00

Joining Fee \$ 50.00 + GST \$ 55.00

Amount of payment enclosed (Membership + Joining Fee) \$ _____

PAYMENT DETAILS

I have enclosed a cheque/money order or debit my credit card for the above amount

Visa MasterCard Number: _____

Cardholders _____ Signature _____ Exp Date
Name

Signed..... Date.....