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In case no. 6412-24, **AA** (Appellant) v. the **Swedish Estate Agents Inspectorate** (Respondent), the Supreme Administrative Court delivered the following judgment on 10 September 2025.

RULING OF THE SUPREME ADMINISTRATIVE COURT

The Supreme Administrative Court rejects the appeal.

BACKGROUND

1. An estate agent may not engage in activities which have a tendency to undermine confidence in him or her as an estate agent. Where such occurs, the estate agent may be subject to a sanction in the form of, for example, a warning.
2. AA, who is an estate agent, is engaged as an alternate member of the board of directors with independent authority to act as a company signatory in a company whose purpose is, among other things, to carry out conversions and repairs on property units and to provide project and consultancy activities within the real estate industry (the construction company). She owns 50% of a holding company which owns the construction company. The operations of the construction company are run by a party closely associated with her.
3. As a consequence of a report against AA, the Swedish Estate Agents Inspectorate examined a number of alleged failings in the execution of a 2019 brokerage engagement. The Swedish Estate Agents Inspectorate was of the opinion that AA's possibility to exercise influence and economic interests in the construction company raised suspicions that she would be able to be influenced by extraneous considerations in the performance of the brokerage work and that she therefore had engaged in activities which likely undermined confidence in her as an estate agent. She was issued a warning.
4. AA appealed the decision to the Administrative Court in Karlstad and claimed that the warning regarding trust-undermining activities was to be set aside. The

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administrative court granted the appeal and, at the same time, confirmed a notice as the sanction for another infraction examined by the Swedish Estate Agents Inspectorate in the context of the appealed decision. The court found that the circumstance that an estate agent who, by virtue of shares or in some other manner, holds shares of a company which is operated for profit, holds a board position and signs the company name cannot, as the sole basis – irrespective of the area of activity – lead to the determination that it constitutes, by its nature, an activity which undermines confidence.

5. The Swedish Estate Agents Inspectorate appealed the judgment to the Administrative Court of Appeal in Gothenburg which granted the appeal and affirmed the decision of the Swedish Estate Agents Inspectorate. The administrative court of appeal was of the opinion that, as a consequence of AA's indirect ownership of a large share of the construction company, she has strong incentives to see to it that the business goes well and, in time, generates a financial dividend. Thus, according to the administrative court of appeal, her engagement could give rise to suspicions that, in her engagement as an estate agent, she could be influenced by interests which were to the disadvantage of sellers and buyers.

CLAIMS, ETC.

6. AA claims that the warning regarding trust-undermining activities should be set aside and states the following. She is neither employed by the construction company nor has any other engagements linked to that company or its owner company. She has not received any dividend or other compensation from any of the companies. The construction company offers craft and carpentry services principally to legal persons. The services pertain in most cases to tenant adaptations and conversions of business premises. An activity of this type cannot generally be deemed to undermine confidence. The construction company has not performed services in any individual case either on behalf of clients or buyers connected to any of her brokerage engagements. Accordingly,

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there is no link between the activities of the construction company and her professional role as an estate agent. In the event the activity is nonetheless deemed to be impermissible, the sanction should be limited to a notice.

7. The *Swedish Estate Agents Inspectorate* is of the opinion that the appeal is to be rejected.

REASONS FOR THE RULING

The question in the Supreme Administrative Court

8. The question is whether operations in the construction industry are such an activity which, by its nature, undermines confidence in an estate agent.

Legislation, etc.

9. The transitional provisions for the Estate Agents Act (2021:516) provide that the former Estate Agents Act (2011:666) continues to apply to infractions which occurred prior to entry into force. Accordingly, it is the earlier act which is to be applied in the case.
10. It appears from section 14, first paragraph of the 2011 Estate Agents Act that an estate agent may not engage in activities which undermine confidence in him or her as an estate agent. Corresponding provisions are found in Chapter 3, section 9, first paragraph of the 2021 act.
11. Pursuant to section 29, first paragraph of the 2011 act, the Swedish Estate Agents Inspectorate shall revoke the registration of an estate agent if he or she acts in contravention of his or her obligations pursuant to the act. Pursuant to the third paragraph, the Swedish Estate Agents Inspectorate may instead issue a warning or a notice were such may be deemed sufficient. Where the violation is minor, the Inspectorate may, pursuant to the same paragraph, refrain from imposing a sanction.

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The Court's assessment

12. The Estate Agents Act is based on the notion that both the buyer and seller are to be able to rely on the estate agent as an expert and, in principle, impartial intermediary. The preparatory works clarify that the general prohibition against parallel activities which undermine confidence entails that it is impermissible for an estate agent to combine his or her brokerage activities with any other sort of activity which may give rise to suspicions that the estate agent could be influenced by extraneous interests to the disadvantage of the buyer or seller and which thereby threatens the estate agent's impartial position (Government Bill 1994/95:14, pp. 54 and 80 and Government Bill 2010/11:15, p. 26).
13. The following appears from RÅ 2006 reported case 84. The prohibition rule applies to activities which, by their nature, may undermine confidence in the estate agent's impartiality. As a rule, the assessment of that question is carried out in advance without consideration of the individual brokerage engagements which may be relevant in the future. In addition, it applies to activity which, in individual cases, raises such hesitations even where the activity as such is not generally regarded as something which undermines confidence.
14. In parallel with her work as an estate agent, AA is an alternate member of the board of directors and company signatory in a company which conducts operations in the construction industry. In addition, by virtue of her holdings of half the shares in the parent company of the construction company, she indirectly holds a substantial ownership share of the construction company. Even if she is not herself responsible for the day-to-day operations of the construction company, she may, as a consequence of the right to represent the company and through her indirect ownership, be deemed to exercise both controlling influence over the business and to possess a prominent proprietary economic interest therein.
15. In the opinion of the Supreme Administrative Court, AA's involvement in the construction company means that, in her role as an estate agent, she has placed herself in a situation where, in the estate brokerage activities, she can be

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suspected of being influenced by extraneous considerations to the detriment of sellers or potential buyers, e.g. when dealing with intending buyers who may have differing interests in pursuing construction measures regarding a brokered object. AA is accordingly considered to be engaged in an activity which is likely to undermine confidence in her position as an estate agent.

16. Against this background, the Supreme Administrative Court, like the administrative court of appeal, is of the opinion that AA has acted in contravention of her obligations in accordance with the Estate Agents Act. It is a matter involving an infraction of a basic rule of conduct which is central to protecting the parties in a brokerage engagement. The Supreme Administrative Court is of the opinion that the sanction for the infraction cannot be limited to a notice. Accordingly, the appeal is rejected.

Justices Helena Jäderblom, Kristina Ståhl, Leif Gäverth, Magnus Medin and Mathias Säfsten have participated in the ruling.

Judge Referees: Lina Bjersbo and Sara Arya.