



The Royal Institution of Chartered Surveyors (RICS) has announced the release of Service Charges in Commercial Property Professional Standard, Second Edition. The new edition of the standard was published on 25 June 2025 and becomes effective on 31 December 2025.

The aims and objectives of the professional standard include: to improve general standards, and promote best practice, uniformity, fairness and transparency and to ensure timely issue of budget and year end certificates.

#### **Key highlights of the new professional standard include:**

- + Time limits are now mandatory (with caveats) - where timescales cannot be met, a timely explanation must be provided to tenants;
- + Industry standard cost classifications - separation of combined Repairs and Maintenance into two headings;
- + Departures from the Standard should be clearly explained in the service charge accounts;
- + Accruals brought forward should be credited back to the service charge, where no invoice has been received;
- + Greater emphasis in relation to the sign-off of service charge accounts and the statements to be made by managers expanded;
- + Provision for anticipated future expenditure - new cost category "Agreed retention of funds already collected"; and
- + Disclosure of Insurance claims pending at the service charge year end;
- + Landlord Funding - Payment Plans should be regarded as a concession and a voluntary agreement with each individual tenant and outside the scope of the service charge.
- + Disclosure of Insurance commissions and other benefits arising from management;
- + Expanded detail on the basis of the apportionment matrix;



# Partners

## How M+A Partners can help

This is a brief overview of the key points for consideration in the RICS Service Charges in Commercial Property Professional Standard, Second Edition.

Our Service Charge Accounting specialists offer a range of services to support the implementation of the Professional Standard, tailored to meet the specific needs of your team. To arrange a bespoke RICS workshop, a Microsoft Teams session, or any other communication that might suit your organisation, get in touch with our experts.

To support consistency with RICS standards, M+A Partners are part of the ICAEW working group to consider the update of TECH 09/14 Accountants' Reports on Commercial Property Service Charge Accounts.

## Our Experts



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