

S/N 4/2023 – Failure to Conduct Work with Due Diligence and Care by Failing to Carry Out Due Diligence Checks Before Facilitating Lease of Property to Foreign Tenants

Facts of Case

At all material times, the Respondent was a registered salesperson.

Sometime in 2017, the Respondent was engaged by the owner (the “**Landlord**”) of a private residential property (the “**Property**”) to help him lease out his Property as he resided overseas. The Respondent handled 3 leases for the Landlord.

Sometime in August 2020, the Landlord instructed the Respondent to re-market the Property for rent as the previous tenant exited the lease prematurely. The Respondent re-marketed the Property for rent online.

On 8 August 2020, in response to the Respondent’s listing, Salesperson S informed the Respondent that he had foreign students who were interested to rent the Property. No lease was concluded from this enquiry.

On 24 August 2020, Salesperson S contacted the Respondent again to ask if the Property was still available for rent to 2 Vietnamese students studying in Singapore. Salesperson S informed the Respondent that the students were offering to pay monthly rent of \$ 3,000 for the Property and needed to move into the Property as soon as possible. A viewing of the Property was arranged for Salesperson S and his clients on 25 August 2020.

On 25 August 2020, the Respondent did not manage to meet with Salesperson S and his clients for the viewing of Property; Salesperson S and his clients managed to view the Property on their own. Later, on the same day, Salesperson S informed the Respondent that his clients would like to lease the Property for 1 year at the monthly rent of \$ 2,800, and to move into the Property on 26 August 2020. Salesperson S also informed the Respondent that he would collect commission from his clients.

Following some further discussion on the lease, Salesperson S sent the Respondent photographs of a passport and student pass purportedly belonging to one of the foreign students, Student A, via Whatsapp. Salesperson S told the Respondent that Student A would be the main tenant and occupier of the Property.

The Respondent confirmed later on the same day that she would prepare the tenancy agreement for all parties to sign.

On the night of 25 August 2020, Salesperson S also sent to the Respondent photographs of a passport and student pass belonging to the other foreign student, Student B. Salesperson S told the Respondent that Student B would reside in the Property under the lease.

The Respondent forwarded the photographs relating to the particulars of the 2 students to the Landlord, who accepted them as tenants of the lease.

With the information obtained from Salesperson S, the Respondent prepared a tenancy agreement which was dated 26 August 2020 (the “**TA**”) and sent a copy of the TA to Salesperson S. The

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Respondent arranged to meet with Salesperson S and the 2 foreign students at the Property on 26 August 2020 to receive the signed TA.

On 26 August 2020, the Respondent met a lady wearing a cap and a mask inside the Property. The Respondent did not verify the identity of this lady, but proceeded to go through the electronic inventory list with the lady, who signed off on the inventory list without indicating her name. Thereafter, the Respondent met Salesperson S for him to sign on the inventory list.

After the Respondent had left the Property, Salesperson S sent the Respondent a copy of the signed TA via Whatsapp. The Respondent asked Salesperson S to ensure that the rental deposit and first month's rent were transferred to the Landlord, to which Salesperson S subsequently sent the Respondent photographs of bank transfer receipts showing payments made to the Landlord's bank account. The Landlord then signed the TA.

At all material times, the Respondent understood that both students who would occupy the Property were foreigners holding student passes in Singapore. Pursuant to section 57B(3) of the Immigration Act (Cap. 133, 2008 Rev Ed) ("**Immigration Act**"), the Respondent, being the Landlord's salesperson, was required to conduct the following due diligence checks on the 2 foreign students:

- (a) Inspect their original student passes;
- (b) Cross-check the particulars in their original student passes with the particulars in their passports; and
- (c) Verify the validity of the student passes with the Immigration and Checkpoints Authority.

However, the Respondent did not, at any material time, conduct the above due diligence checks on the 2 foreign students as required.

On 21 July 2021, the police raided the Property and arrested 3 prostitutes residing and working at the Property.

Student A did not in fact rent the Property or sign the TA. At all material times, Student A did not reside in the Property and it appears that photographs of her passport and student pass had been misused by vice syndicates to rent the Property. At the material time, Student A was a foreign student in Singapore holding a valid student pass and passport. Student B was also a student in Singapore but had since left Singapore.

The Respondent did not receive any commission for facilitating the lease transaction.

Charge

The Respondent faced the following charge:

Charge 1 (Proceeded)

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Failing to conduct her work with due diligence and care, by facilitating the lease transaction of a condominium unit between her landlord-client and 2 foreign students who purportedly signed off as tenants in the tenancy agreement for the lease, without first carrying out the due diligence checks on the intended tenants as required under section 57B(3) of the Immigration Act to ensure that they were not immigration offenders as prohibited under the Immigration Act, in contravention of paragraph 5(1) of the Code of Ethics and Professional Client Care (the “**Code**”).

Outcome

Pursuant to a plea bargain, the Respondent pleaded guilty to Charge 1.

The DC imposed the following financial penalty on the Respondent:

Charge 1: A financial penalty of \$4,000

Fixed costs of \$2,000 was imposed on the Respondent.