

S/N 16/2021 – Failure to Conduct Business and Work with Due Diligence and Care by Failing to Ensure That a Purchaser of a Private Residential Property Met the Minimum Legal Age Requirement

Facts of Case

The Respondent was at all material times a registered salesperson of a licensed estate agent (“**EA**”).

At the material time, the EA was appointed by the developer (the “**Developer**”) of a private residential property development (the “**Development**”) to market and sell the units in the Development that were then still under construction.

The EA instructed the Respondent to introduce and market units in the Development to potential buyers who visited the showflat of the Development. In particular, the Respondent’s role was to introduce and market the units in the Development to potential buyers who were brought in by other salespersons.

Sometime in or around October 2016, another salesperson C introduced the following individuals to the Respondent and arranged for the Respondent to conduct a viewing at the Development’s showflat for them:

- a. Mr H;
 - b. Mr H’s son, HH (“**HH**”); and
 - c. Mr H’s daughter.
- (collectively, the “**H Family**”).

The viewing took place on 18 October 2016. During the viewing, which lasted approximately 45 minutes, the Respondent introduced the H Family to a 2-bedder unit in the Development.

At the conclusion of the viewing, Mr H decided to purchase a unit in the Development (the “**Property**”) at a purchase price of \$886,000. The Respondent informed Mr H that in order for the Developer to issue an option to purchase for the Property, Mr H would have to pay a booking fee which is equivalent to 5% of the purchase price of the Property, i.e. the sum of \$44,300 (the “**Booking Fee**”).

Mr H informed the Respondent that he (i.e. Mr H) had cash on hand which he intended to apply towards full payment of the Booking Fee. The Respondent informed Mr H that the Developer would not accept payment of the Booking Fee in cash. In the end, with salesperson C’s assistance, the Booking Fee was paid to the Developer via a cheque.

The H Family then decided that the Property would be purchased in the joint names of Mr H and HH, and provided Mr H’s and HH’s personal details to the Respondent.

Thereafter, the Respondent filled in Mr H’s and HH’s personal details (including but not limited to their full names and NRIC numbers) on the Developer’s standard Option to Purchase form (the “**OTP**”).

HH’s NRIC number is S97XXXXXX. The first two numerals of HH’s NRIC number “97” would have indicated to the Respondent that HH was about 19 years old when the OTP was issued to Mr H and HH.

The minimum age for a natural person to be the registered owner of a residential property in Singapore is 21 years. Pursuant to section 35(4)(a) of the Civil Law Act 1909, any contract for the purchase of

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any land, other than a contract for a lease of land not exceeding 3 years, entered into by a minor who has attained the age of 18 years, shall not, have effect as if he were of full age. The rationale for such an age restriction is due to the legal complexity surrounding land ownership.

Accordingly, at the time when the OTP was issued, HH was below the minimum age to be a registered owner of the Property and should not have been named as a purchaser on the OTP.

The Respondent received HH's personal details (including, in particular, HH's NRIC number) and filled in HH's personal details (including his NRIC number) on the OTP.

Apart from the OTP, the Respondent also assisted Mr H and HH to fill up a Purchaser(s) Particulars Form (the "**Particulars Form**"), which included, among other things, the date of birth of HH. The Respondent also wrote his name at the bottom left of the Particulars Form and indicated that he was the "tagger" for this transaction. This form was signed and acknowledged by Mr H and HH.

By reason of the above, the Respondent had actual knowledge of HH's age when the OTP was issued and that HH was below the age of 21 at the material time.

Further, the Respondent should have also been aware and/or have reason to believe, having regard to the fact that the first two numerals of HH's NRIC number are "97", that HH was below the age of 21 at the material time.

Mr H and HH later withdrew from purchasing the Property and the Developer, upon considering the requests by Mr H and HH to withdraw their purchase of the Property and for the full refund of the Booking Fee, decided to refund to Mr H the Booking Fee in full.

Charge

The Respondent faced the following charge:

Charge

Failure to conduct his business and work with due diligence and care by failing to ensure that one of the purchasers of a private residential property (the "**Property**") to be of or above the minimum legal age to be a registered legal owner of the Property before he issued the Option to Purchase for the purchase of the Property ("**OTP**") to the 2 purchasers on behalf of the Developer of the Property and thereby causing the OTP to be of no effect as per Section 35(4)(a) of the Civil Law Act 1909, which is a breach of paragraph 5(1) of the Code of Ethics and Professional Client Care (the "**CEPCC**").

Outcome

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

The Disciplinary Committee ("**DC**") found the Respondent liable for the disciplinary breach in the Charge and therefore disciplinary action was taken against him.

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After hearing parties, the DC imposed the following penalty on the Respondent:

Charge: a financial penalty of \$1,000 and a suspension of 2 months.

The suspension order took effect on 2 August 2021.

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