

Our Ref: PC 06-15

Date: 19 Nov 2015

To: **Key Executive Officers**

Dear Sir/Madam

AMENDMENTS TO THE ESTATE AGENTS REGULATIONS

1. The Council for Estate Agencies (CEA) would like to inform the real estate industry on the amendments made to the Code of Practice for Estate Agents (COPEA) set out in the second schedule of the Estate Agents (Estate Agency Work) Regulations 2010 which will take effect on 19 Nov 2015.

2. Under new regulations established in 2010 to raise the professionalism of the estate agency industry, estate agents and salespersons are required to meet the higher standards of an enhanced licensing and registration framework. This includes the introduction of (a) an identification card labelled as the estate agent card, and (b) the proper retention of documents and records. To meet other compliance requirements and in response to industry and consumer feedback, CEA may from time to time, amend the regulations to keep them relevant.

3. The changes made to the COPEA are as follows:

Relevant Legislation in COPEA	Changes Made to Regulation
Paragraph 5 on Estate agent card	Removal of Paragraph 5(3)(e). Estate agents need not state the expiry date of the licence or registration of the holder of the estate agent card on the estate agent card.
Paragraph 7 on Retention of documents and records	Amendment to Paragraph 7(1). Estate agents shall retain the originals or keep copies of documents and records in its possession for at least 5 years.

Removal of Paragraph 5(3)(e) of the COPEA

4. CEA has received industry feedback on the costs incurred from the requirement of making new estate agent cards stating the licence and registration periods of the estate agent and salesperson respectively. CEA has reviewed this requirement based on an observation of market practice, and industry feedback. As consumers can check the validity of an estate agent licence period or salesperson registration period on CEA's online public register, the requirement to state the expiry date of the licence or registration period is henceforth lifted. The industry is reminded nonetheless that Section 29(1)(a) of the Estate Agents Act makes it an offence for a person to hold himself out as a salesperson without a valid salesperson registration.

5. Salespersons should only use their existing estate card with the current estate agent up till the expiry date stated on the card.

Amendment to Paragraph 7(1) of the COPEA

6. The Financial Action Task Force (FATF) is an international taskforce established in 1989 to develop international standards to combat money laundering and terrorism financing. One of FATF's recommendations is to require records retention to be at least 5 years. In line with FATF's recommendation, the requirement for records retention is henceforth extended from 3 years to 5 years. Estate agents are required to comply with the new record keeping requirement.

7. For the list of frequently asked questions (FAQs), you can refer to Annex. Please disseminate the information to your staff and salespersons. For further enquiries, you may call CEA hotline at 1800 643 2555 or email CEA at feedback@cea.gov.sg.

Yours sincerely

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Annex

FREQUENTLY ASKED QUESTIONS (FAQs) ON REMOVAL OF EXPIRY DATE OF LICENCE AND REGISTRATION ON THE ESTATE AGENT CARD

Q1. As a salesperson, can I use my current estate agent card with the expiry date printed as 31 Dec 2015?

A1: Salespersons should only use their existing estate agent card till the expiry date stated on the card. Estate agents may decide to recycle the estate agent card for their salespersons, by affixing a sticker over the expiry date.

Q2. What happens if the photo or wordings on the estate agent card has faded?

A2: Salespersons should inform their estate agents and get a replacement card.

Q3. As an estate agent, what happens if all the estate agent cards for the salespersons had been printed for 2016 registration?

A3: Salesperson can use the estate agent card till the expiry date stated on the card.

FREQUENTLY ASKED QUESTIONS (FAQs) ON DOCUMENTS RETENTION

Q1. Why did CEA decide to increase the document retention period from 3 years to 5 years?

A1: The minimum 5 years retention period for documents is one of the recommendations by the Financial Action Task Force (FATF), an international taskforce established in 1989 to develop international standards to combat money laundering and terrorism financing. The real estate industry is required to comply with the FAFT requirement for record keeping.

Q2. In a property transaction, there could be confidential documents that are only handled by the vendors or their lawyers for which the estate agent and salesperson may not be able to obtain copies. How would the estate agent comply with the requirement then?

A2: Estate Agents and salespersons should retain transaction documents that are in their possession. For transactions in which estate agents/salespersons do not have transaction documents such as S&P Agreement and tenancy agreement, the estate agent should retain any available evidence including documentation of the reasons, e.g. lawyer has informed that he is unable to release the document.

Q3. We are a small company and do not have a large office space, can we request the documents to be kept by the salespersons and to be retrieved upon request?

A3: All documents should be in the possession of the estate agent.