

CEA Ref: PC 04-18

Date: 12 July 2018

Key Executive Officers

Dear Sir/Mdm,

FOR COMPLIANCE: PRACTICE CIRCULAR ON THE OFFERING OF BENEFITS BY ESTATE AGENTS AND SALESPERSONS VIA THIRD PARTY ENTITIES

The Council for Estate Agencies (CEA) has received feedback regarding the giving of benefits in kind or cash, including “cash back programmes”, for new development sales.

2 Paragraph 1.10 of the Professional Service Manual (PSM) states that:

“Estate agents and salespersons shall not advertise or offer any benefit in cash or kind, to any party in a transaction, so as to induce them to engage the services of the estate agents or salespersons. Estate agents and salespersons also shall not agree if any person initiates the request for them to offer such benefits. This practice of offering benefits as inducement is an unprofessional and unethical practice and brings disrepute and discredit to the estate agency industry.”

3 Salespersons and estate agents who work with and/or use third parties to offer benefits, including through a “cash back programme”, which results in the consumer engaging the services of the salespersons or estate agent will be in breach of this Practice Circular. It has come to CEA’s attention that one such third party being used to give such benefits is DirectHome Pte Ltd. The giving of direct or indirect benefits for new development sales to obtain clients, including through direct or indirect involvement in cash back schemes, is disreputable and tarnishes the professional image of the real estate agency industry.

4 Estate agents and salespersons are not to participate in any schemes where direct or indirect benefits are given to a consumer in a new development sale transaction that ultimately results in the consumer engaging the services of the estate agent or salesperson. This includes “cash back” schemes from third parties that offer benefits to consumers in new development sale transactions.

5 The obligation stated in paragraph 4 is in addition to existing duties and obligations under the Estate Agents Act, its Regulations, the Code of Ethics and Professional Client Care, and all Practice Guidelines and Circulars.

6 Please inform your salespersons to comply with this practice circular with immediate effect. If you require any further clarification, please call us at 1800 643-2555, or email us at feedback@cea.gov.sg.

Yours sincerely,

Soh Cheng Hwee
Deputy Director (Licensing)
Council for Estate Agencies