

The
First Annual Report 2010/2012
Step

The First Step

Bold and decisive.

And it has made all the difference.

The initial 18 months of the Council for Estate Agencies culminated in a giant step forward in the journey to drive change and inspire confidence in the real estate agency industry in Singapore. The Council leads the way, engaging stakeholders and catalysing transformational initiatives to develop the industry and ensure that consumers can be confident of securing a fair and informed transaction with a trusted professional by their side.

The journey has begun.

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Our Vision

A professional and trusted real estate agency industry

Our Mission

To raise the professionalism of the real estate agency industry and safeguard consumer interest

President's Message



A NEW REGULATORY FRAMEWORK FOR SINGAPORE'S REAL ESTATE AGENCY INDUSTRY

I am pleased to present the first annual report of the Council for Estate Agencies (CEA). The establishment of CEA signifies the Government's commitment to strengthen and develop the real estate agency industry and safeguard consumer interests.

Nine in ten Singaporeans own the properties they live in, making our home ownership rate one of the highest in the world. Many Singaporeans turn to real estate agents for professional help when buying and selling their properties. The real estate agency industry has grown significantly, as at 31 March 2012, licensed estate agents numbered 1,493 and registered salespersons totalled 31,769.

CEA was formed on 22 October 2010, and aims to develop a professional and trusted real estate agency industry. To do this, we focus on three strategic objectives – effective regulation, industry development and consumer education.

The Estate Agents Act and Regulations, which include the Code of Practice and the Code of Ethics and Professional Client Care, have been established to govern the duties, business activities and conduct of estate agents and salespersons. A new initiative was the introduction of Key Executive Officers (KEOs) in estate agents to provide oversight and direct accountability for their business and salespersons. CEA has put in place a disciplinary

process to handle breaches of the Act or the Codes by estate agents or their salespersons.

To enhance industry capabilities, CEA launched the Continuing Professional Development programme for KEOs and salespersons to develop their professionalism and ethics, as well as keep them updated on regulations and guidelines. We also implemented regulatory examinations with new standards.

To develop a more customer-oriented industry, CEA set up a system for complaint management and dispute resolution, and launched a Public Register of licensed estate agents and registered salespersons on our website. This provides greater transparency and confidence in the industry as consumers can now get relevant information to help them assess estate agents and salespersons before engaging them. CEA also took part in public education talks, and distributed a free consumer guide on engaging salespersons to the public.

Looking ahead

The industry has experienced significant change under this new regulatory landscape. CEA's approach has been to regulate with a lighter touch initially, and then gradually tighten up as the market adjusts to the new standards and regulations.

We will continue to work in partnership with our key stakeholders to strengthen the industry, review the Estate Agents Regulations in response to the fast changing landscape, and develop a framework for the inspection of estate agents and a manual to guide the industry in providing professional service to consumers. CEA will also sponsor more consumer education initiatives and new public outreach programmes, and will review the use of IT to improve efficiency in administrative processes for the industry.

I would like to acknowledge and am grateful for the support of the industry for CEA's work, in particular estate agents which recognise the importance of high professional and ethical standards and are working to further improve on their performance. My fellow council members and the four committees have provided wise counsel and their voluntary contributions are much appreciated. My personal thanks also go to CEA's management and staff for their commitment, hard work and diligence in this inaugural year.

CEA is committed to this transformational journey to create a professional and trusted real estate agency industry where all stakeholders can expect professional standards in a fair and informed marketplace, and we look forward to your continued support.

Greg Seow
President

Executive Director's Message



THE TRANSFORMATION HAS JUST BEGUN

The last 18 months have been a hectic yet fulfilling time for CEA as we took the first step to transform the real estate agency industry in Singapore.

Guided by our three strategic thrusts to strengthen the new regulatory environment, develop industry professionalism and inculcate public prudence through education, we have made significant advances.

Giving space and time for change

Most of our initial efforts were focused on transiting the existing estate agents and salespersons to meet the new benchmarks set by the enhanced

regulatory framework. As can be expected, for an industry that has largely been unregulated for years, the transition has taken its time. We engaged in frequent dialogues and meetings with the industry to ensure that everyone is aware of the requirements of the new regulatory framework. At the end, majority of the existing salespersons were able to practise under the new regulatory system with effect from 1 January 2011.

In our complaint management and enforcement activities that followed, we took a light-touch approach, allowing for some leeway for estate agents and salespersons to adapt and adjust to the new way of conducting estate agency work.

At the same time, we continued to push for higher professional standards by formulating and implementing practice guidelines. An example is the Practice Guidelines on Ethical Advertising. The guidelines were compiled in close consultation with the industry and keeping in mind the practices on the ground.

Infusing a culture of continuing professional development

As it is in other industries, people are the most important asset in the real estate agency industry. Salespersons who are knowledgeable, ethical and provide quality services can contribute to the success of their estate agents. At the company level, estate agents need to be professional business outfits striving to foster and champion these values and skill set for delivery by salespersons to their clients.

To facilitate the continual upgrading of industry practitioners' skills and knowledge, we launched the Continuing Professional Development Scheme. Many in the industry, whether rookies or veterans, have welcomed such an upgrading scheme to keep themselves up-to-date on latest guidelines and regulations and to develop their professional practice. Given the dynamic nature of the property sector, it enables them to keep pace with changes in policies, the market and economic conditions.

CEA has also rolled out e-services to enhance the efficiency of our licensing and registration processes. More enhanced e-services to better serve the estate agents and salespersons are being planned. We are also exploring ways for estate agents to leverage IT as an enabler to enhance their operations, productivity and service.

As CEA is a small agency, we work closely with industry associations and estate agents to advance industry development. They are in close contact with salespersons, know the prevailing industry practices and are in a position to contribute to

positive change. In particular, they have a key role to play in providing professional training for salespersons and in role modelling the desired conduct and behaviour. As there are other partners who operate in the same space as we do, such as government agencies, tertiary institutions and various stakeholders, CEA also engages them to advance our industry development activities.

Empowering consumers with knowledge

While regulations are in place for the industry to comply with, consumers too must play their part. The industry plays a crucial role in providing professional service and advice to consumers. However, consumers must ultimately be responsible for their own decisions on property transactions which are often of high value. To empower consumers to conduct property transactions prudently and judiciously, CEA can equip them with the necessary knowledge and provide access to consumer resources, as well as make such knowledge widely available.

Our website offers consumer resources and information on regulations, as well as consumers' rights and responsibilities in property transactions. We have an online Public Register of Estate Agents and Salespersons where consumers can verify information on salespersons they wish to engage. Another resource is our educational guide on engaging a real estate salesperson. CEA also works closely with industry partners and government agencies like the Housing & Development Board and Central Provident Fund Board, as well as the Consumers Association of Singapore to carry out consumer outreach initiatives such as public seminars.

From the outset, CEA has made itself highly accessible to consumers and the general public. All the avenues of contact are easy to access, including our walk-in counters, website, emails and other means. Our volume of interactions with the public and the industry is very high and we

continue to work on improving these and other avenues of access.

Going forward

CEA has taken the first step and achieved some milestones. But the journey has just begun. We will continue to build upon our progress, strengthening our strategic partnerships, improving our programmes and enhancing operational processes to meet our objectives. The Government, industry and consumers have a collective role to play in upgrading the professionalism of the industry. As we

embark on this journey together, CEA looks forward to working closely with all our key stakeholders.

In closing, I would like to thank the Council and the four Committees for their advice and guidance. Many thanks also go to our stakeholders, industry associations and partners for their continuing support and contributions.

I would also like to express my deepest appreciation to the management and staff for their hard work and commitment in what has been a challenging period of transition.

Chionh Chye Khye
Executive Director

Council Members
Senior Management
CEA Committees

Council Members

22 October 2010 to 21 October 2013



Seated (left to right)

Assoc Prof Yu Shi Ming

*Head, Department of Real Estate
School of Design and Environment
National University of Singapore*

Chionh Chye Khye

*Executive Director
Council for Estate Agencies*

Standing (left to right)

Ho Chee Pong

*Senior Director
(Human Capital / Careers & Attraction)
Public Service Division
Prime Minister's Office*

Er Dr Tan Guan

*Senior Principal
TY Lin International Pte Ltd*

Seah Seng Choon

*Executive Director
Consumers Association of Singapore*



Seated (left to right)

Greg Seow

*President
Council for Estate Agencies*

Lawrence Ang Boon Kong

*Senior Consultant
Donaldson & Burkinshaw*

Standing (left to right)

Marc Boey

*Group Director
(Land Sales & Administration)
Urban Redevelopment Authority*

Yap Chin Beng

*Deputy Chief Executive Officer
(Estates & Corporate)
Housing & Development Board*

Senior Management



Seated

Soh Kee Hean

Deputy Executive Director

Standing (left to right)

Soh Chor Yin

Deputy Director

*(Corporate
Development)*

(w.e.f. 18 June 2012)

Chan Mun Kit

Director

(Regulatory Control)

(w.e.f. 3 April 2012)

Yeap Soon Teck

Deputy Director

(Licensing)

Timothy Kho

Deputy Director

(Legal)

(w.e.f. 1 July 2012)



Seated

Chionh Chye Khye
Executive Director

Standing (left to right)

Cheryl Lim
Deputy Director
(Policy & Planning)

Purnima Shantilal
Director
(Licensing & Investigation)

Khor Chor Huat
Deputy Director
(Investigation)

Koh Pek Hoon
Deputy Director
(Public Outreach)

Desmond Yeo
Deputy Director
(Inspection & Compliance)

CEA Committees

EXAMINATION & PROFESSIONAL DEVELOPMENT COMMITTEE

26 October 2010 to 25 October 2012

Chairman

Assoc Prof Yu Shi Ming

Head, Department of Real Estate
School of Design and Environment
National University of Singapore

Members

Pauline Goh

Chief Executive Officer
CBRE Pte Ltd

Donald Han

Special Advisor
HSR Property Group

Ng Lay Har

Former Director
Building &
Environment Division
Ngee Ann Polytechnic

Peter Ow

Managing Director
SLP International
Property Consultants
Pte Ltd

Tan Chew Ling

Group Director
(Estate Administration
& Property)
Housing &
Development Board

Tan Kok Keong

Key Executive Officer
Orion Property
Consultants Pte Ltd

Eddie Yong

Executive Director of
Investment Properties
Far East Organisation
(Representative from
REDAS)

Lee Say Kee

Director
(Regulatory Control)
Council for Estate
Agencies
(Until 31 Mar 2012)

Chan Mun Kit

Director
(Regulatory Control)
Council for Estate
Agencies
(w.e.f. 3 April 2012)

FUNCTIONS

1. Determine examination syllabus for estate agents and salespersons, and ongoing review to ensure it is comprehensive, relevant to profession, and to raise industry standards
2. Examine and ensure CEA examination preparatory courses are able to achieve above mentioned objectives
3. Examine training needs and advise on appropriate training programs to raise professional competency and standards
4. Oversee implementation of mandatory Continuing Professional Development (CPD) Scheme
5. Establish criteria for examination course and CPD course providers
6. Review and recommend qualifications recognised as equivalent to 4 GCE "O" Level passes and new CEA examinations

LICENSING & PRACTICE COMMITTEE

26 October 2010 to 25 October 2012

Chairman

Er Dr Tan Guan

Senior Principal

TY Lin International Pte Ltd

Members

Chng Shih Hian

Senior Executive
Director

*Chesterton Suntec
International*

Lee Kut Cheung

Managing Director

*RSP Architects Planners
and Engineers (Pte) Ltd*

Tan Hong Boon

Regional Director

(Investments)
*Jones Lang LaSalle
Real Estate (S)
Pte Ltd*

Assoc Prof Tang

Hang Wu

Faculty of Law
*National University
of Singapore*

Fong Heng Boo

Director

(Special Duties)

*Singapore Totalisator
Board*

Ng Boon Yew

Chairman

Raffles Campus Pte Ltd

FUNCTIONS

1. Consider and recommend debarment guidelines, licensing/registration debarment cases
2. Consider and recommend cases of exemption from licensing/registration requirements
3. Impose licensing/registration conditions on a case-by-case basis
4. Review and recommend amendments to Code of Ethics and Professional Client Care for estate agents and salespersons and Code of Practice for estate agents
5. Review and recommend revision to Practice Circulars and Guidelines on various aspects of estate agency work
6. Review and recommend changes to licensing/registration criteria

DISCIPLINARY PANEL

26 October 2010 to 25 October 2012

Head

Lawrence Ang Boon Kong

Senior Consultant

Donaldson & Burkinshaw

Members

Er Chan Ewe Jin

Principal Director

*Ecas-EJ Consultants
Pte Ltd*

Hamidul Haq

Equity Partner

Rajah & Tann LLP

Tan Shao Yen

Senior Vice President,

Building Division
CPG Corp

Eric Tin Keng Seng

Partner

Donaldson & Burkinshaw

Chee Wai Pong

Chee Wai Pong & Co

Christopher

Thomas Koh Kia Yong

Director

Chris International

Dr Tan Teng Hooi

Director

*TY Lin International
Pte Ltd*

Wo Mei Lan

Director

*Liu & Wo Architects
Pte Ltd*

Reymond Fernandez

Director

*Reyfern Real Estate
Consultancy Pte Ltd*

Karam S Parmar

Senior Partner

*Tan Kok Quan
Partnership*

Tay Kah Poh

Director

*Reyfern Real Estate
Consultancy Pte Ltd*

Derrick Wong

Partner

*Derrick Wong &
Lim BC LLP*

FUNCTIONS

1. Hear cases for professional misconduct and breaches of the Code of Ethics and Professional Client Care and Code of Practice
2. Determine disciplinary actions which include warnings, fines, suspension, debarment and imposition of conditions on the estate agents and salespersons
3. Make such recommendations as may be appropriate in relation to the disciplinary case hearing process

AUDIT COMMITTEE

1 March 2012 to 28 February 2014

Chairman

Ho Chee Pong

Senior Director (Human Capital / Careers & Attraction)

Public Service Division, Prime Minister's Office

Members

Marc Boey

Group Director

(Land Sales & Administration)

Urban Redevelopment Authority

Fong Heng Boo

Director

(Special Duties)

Singapore Totalisator Board

Ng Boon Yew

Chairman

Raffles Campus Pte Ltd

FUNCTIONS

1. Nominate the External Auditor and approve remuneration and terms of engagement of the External Auditor (unless the External Auditor is the Auditor General)
2. Review with Appointed External and Internal Auditors:
 - a. their audit plans
 - b. their evaluation of the systems of internal controls
 - c. their audit reports
3. Review assistance given by CEA's officers to the Appointed External and Internal Auditors
4. Review annual accounts and consolidated accounts and recommend them to the Council for approval
5. Review adequacy and effectiveness of CEA's risk management systems

Corporate Profile

The Council for Estate Agencies (CEA) was established as a statutory board on 22 October 2010 to regulate and develop the real estate agency industry.

In pursuit of its mission to raise the professionalism of the real estate agency industry and safeguard consumer interest, CEA focuses on three strategic thrusts: effective regulation, industry development and consumer education.

For effective regulation of the estate agency industry, CEA administers the new regulatory framework through licensing of estate agents, registration of salespersons, and regulating the practice of estate agents and salespersons in property transactions. It also conducts industry compliance checks and investigations, as well as disciplinary proceedings in respect of offences and unsatisfactory conduct or misconduct in relation to estate agency work.

CEA works closely with the industry to raise professionalism, expand capabilities and promote business excellence. It administers the mandatory examination and continuing professional development framework as well as appoints course providers. It identifies opportunities and fosters collaborations with strategic partners in industry development programmes to achieve business productivity.

To protect the interests of consumers, CEA plans and implements public education programmes to equip consumers with the necessary information to make informed decisions in property transactions. It facilitates access to consumer information and provides channels for complaints and dispute resolution.

CEA is governed by a Council which comprises professionals and academicians from sectors related to the real estate agency industry, as well as representatives from government agencies involved in the administration of the property market.

The Council advises and provides strategic guidance to the management of CEA to meet its objectives. The Council is assisted by four Committees - Licensing & Practice Committee, Examination & Professional Development Committee, Disciplinary Panel, and Audit Committee.

Organisational Chart



Milestones

-
- July 2009**
- The Ministry of National Development (MND) set up a workgroup on the Regulation of Estate Agents, comprising representatives from MND, the Ministry of Finance, Inland Revenue Authority of Singapore, Housing & Development Board and Urban Redevelopment Authority.
-
- September 2009**
- MND embarked on the first round of industry consultation sessions with key stakeholders on a new regulatory framework for the real estate agency industry.
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- October 2009**
- MND launched a public consultation exercise over a one-month period to gather public feedback and suggestions for a new regulatory framework for the real estate agency industry.
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- March 2010**
- Study visit to Estate Agents Authority of Hong Kong, led by Mah Bow Tan, then Minister for National Development.
-
- May 2010**
- Second round of industry consultation with key stakeholders on the key elements of the new regulatory framework and the plan to set up a new statutory board.
-
- July 2010**
- Formation of the Pro-Tem Examination & Professional Development Committee to spearhead the development of the examination and training framework.
-
- August 2010**
- Third round of industry consultation held with key stakeholders on the key features of the Estate Agents Bill.
 - First reading of the Estate Agents Bill by Mah Bow Tan, then Minister for National Development, in Parliament on 16 August 2010.
-
- September 2010**
- Following the second and third readings, Parliament passed the Estate Agents Bill 2010 to set up the Council for Estate Agencies (CEA) on 15 September 2010.
-
- October 2010**
- CEA commenced operations on 22 October 2010.
 - Release of two sets of regulations – the Estate Agents (Estate Agency Work) Regulations, incorporating new rules in the Code of Practice and the Code of Ethics and Professional Client Care, and the Estate Agents (Licensing & Registration) Regulations incorporating licensing and registration rules.
 - Appointment of the President and Members of the CEA Council.
 - Appointment of CEA's Examination & Professional Development Committee, Licensing & Practice Committee and Disciplinary Panel.
 - Launch of the CEA website.
 - MND released the Estate Agents (Appeals) Rules 2010.
-
- November 2010**
- Operation of the Code of Practice, the Code of Ethics and Professional Client Care and other new rules.
 - MND issued the exemption order on Land Banking.
 - Appointment of the first Approved Course Providers to provide quality courses for effective learning and examination preparations.

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- December 2010**
- Conducted the first mass licensing of estate agents and registration of salespersons from November to December 2010.
-
- January 2011**
- CEA licensed all estate agents and registered all salespersons.
 - Launch of the Public Register of Estate Agents and Salespersons, a free online resource to provide information on licensed estate agents and registered salespersons.
 - Launch of the Dispute Resolution Scheme to provide a cost-effective and expeditious means to resolve disputes and contractual matters between consumers and estate agents.
 - Launch of the Estate Agencies System, an e-service for the industry.
 - Conducted the first Real Estate Agency and Real Estate Salesperson examinations.
-
- March 2011**
- Release of the Estate Agents (Disciplinary Proceedings) Regulations 2011.
-
- April 2011**
- Launch of the Continuing Professional Development Scheme which requires every KEO, practising director/partner and salesperson to undertake a minimum of six credit hours of learning activities in each calendar year.
-
- May 2011**
- Set up the Public Outreach Division to plan and implement public education programmes to enable consumers to make informed decisions in their property transactions.
-
- June 2011**
- Release of two Practice Guidelines to promote ethical advertising in the real estate agency industry and to guide the use of Prescribed Estate Agency Agreements that are applicable to the sale, purchase and lease of residential properties in Singapore.
 - Set up the Inspection & Compliance Division to carry out checks on estate agents to identify infringements and unethical behaviour of individuals in conducting estate agency work.
 - CEA filed seven charges against the first unregistered salesperson in Court on 1 June 2011. He was sentenced to imprisonment of one month and an aggregate fine of \$32,000 on 12 January 2012.
-
- September 2011**
- CEA filed the first disciplinary charges against a registered salesperson.
-
- October 2011**
- CEA marked its first year with an inaugural KEO Seminar themed 'Raising Professionalism & Service Quality' on 18 October 2011. The Guest-of-Honour was Lee Yi Shyan, then Minister of State for Trade & Industry and National Development.
 - Conducted the first year-end licensing and registration renewal exercise for estate agents and salespersons.
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- December 2011**
- Launch of the first educational brochure "Consumer Tips for Engaging a Real Estate Salesperson" to educate consumers on estate agency work.
-
- March 2012**
- Appointment of CEA's Audit Committee.
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Taking Steps To Change





CEA provides various channels for public enquiries and feedback.

Taking Steps To **Change**

Singapore's success in developing an environment for fair and informed real estate transactions hinges on the existence of a robust legislative and regulatory framework – a system that can safeguard consumer interests and elevate the professionalism of the real estate agency industry. The formation of CEA was a transformative move towards establishing the much needed system to cultivate a safe, informed and transparent property marketplace for all consumers and the real estate agency industry alike.



CEA holds briefings to update the industry on its regulations and guidelines.



CEA officers processing documents for licensing and registration applications.

The Ministry of National Development (MND) mooted the development of a new regulatory framework for the real estate agency industry in July 2009. After extensive consultations with the industry and the public, and three readings of the Estate Agents Bill 2010 in Parliament, the Estate Agents Act was passed and the Council for Estate Agencies (CEA) was set up on 22 October 2010 to administer, implement and enforce the new regime.

The key elements of the framework comprise new regulations and codes of conduct, stricter licensing conditions for estate agents, mandatory registration of salespersons, a mechanism for discipline and dispute resolution, and a thorough and proactive enforcement system that takes errant estate agents and salespersons to task.

CEA formulated and put into effect a series of regulations under the Estate Agents Act. These regulations essentially covered two Codes of Estate Agency Work, Licensing and Registration, Fees, Composition of Offences, Disciplinary Proceedings and Dispute Resolution. At the same time, MND also established two subsidiary legislations covering Appeals and an Exemption Order for Land Banking.

The two Codes, namely the Code of Ethics and Professional Client Care and the Code of Practice, provide a benchmark for ethical behaviour and professional standards for estate agents and salespersons in conducting estate agency work.



CEA has issued three Practice Guidelines for the industry. (Photo: MND)

In addition, the Council issued Practice Guidelines and Circulars aimed at refining and reinforcing professional and ethical practice. Practice Guidelines on Ethical Advertising, use of Prescribed Estate Agency Agreements, Options to Purchase, and Sale and Purchase Agreements were issued in 2011.

Collectively, the Estate Agents Regulations, Practice Guidelines and Circulars formed the framework to engender professional conduct and practice by the industry and to protect consumer interests. The key provisions include a ban on dual representation, no referrals to moneylenders, ban on handling transaction monies, usage of prescribed estate agency agreements, provisions relating to the service rendered to consumers and requirements for advertisements.

In the maiden 18 months of operation, CEA has been focusing on transiting the major stakeholders of the industry to meet the higher standards of the enhanced framework of governance and accountability.

There were frequent contact and dialogues with estate agents, and instructions and Licensing Circulars were issued to the industry to guide them on the conduct and actions expected of them under the new regulatory system.

The CEA Council is the key decision maker and decides on key policy matters. There are four



CEA Executive Director, Chionh Chye Khye (left) visiting Dennis Wee Realty's office.

committees formed to assist the Council and management – Licensing & Practice Committee, Examination & Professional Development Committee, Disciplinary Panel and Audit Committee.

A New Order

With the regulatory framework in place, CEA is focused on establishing a good governance structure that is participatory, inclusive, transparent and responsive. Above all, the strategy is to create a structure for accountability that will ensure the rules of law are followed and that the best interest of the industry and its practitioners are met.

To this end, the Council introduced the role of Key Executive Officer (KEO) as a critical position in the organisational structure of an estate agent. A set of requirements are imposed so that only those suitable are allowed to assume the role of a KEO.

Under the new regime, the KEOs are responsible for the supervision and management of salespersons in their estate agents. They are also expected to identify skills gaps in their salespersons and ensure that they fulfil the mandatory requirements for continuing professional development (CPD). They also have to comply with CPD upgrading. The KEOs

are the Council's gateway to keeping salespersons and estate agents informed and updated on policies and practices in a timely and effective manner. The KEOs drive the professional leadership in the estate agents and their effectiveness will be key to raising professionalism in the industry.

Plans are underway by the Council to develop a set of guidelines that will further define the roles and responsibilities of the KEOs.

Stricter Licensing and Mandatory Registration

One of the most significant exercises that CEA has embarked on to date was the review and enhancement of the estate agent licensing system and implementation of a mandatory registration system for salespersons.

The former estate agent licensing system, which previously came under the purview of the Inland Revenue Authority of Singapore, has been bolstered with enhanced conditions.

The enhanced system aims to ensure estate agents are competent and fulfil a set of criteria, which includes a proper system and process for the supervision and management of their salespersons. In addition to complying with a Code of Practice that stipulates systems and processes for areas such as supervision of salespersons, complaints handling and dispute resolution, estate agents are required to have professional indemnity insurance to adequately cover any financial liabilities that may arise from their business transactions.

Under the mandatory registration system, each salesperson can only be contracted to one estate agent, thereby streamlining the accountability of estate agents to the actions of their sales force. The onus is on the estate agents to ensure that the salespersons registered under them are competent and able to perform their duties in compliance with the new Codes and Regulations.

In October 2010, the Council initiated the first mass licensing and registration exercise to transit the existing estate agents and salespersons in the industry to the new regulatory framework. At the end of the exercise, a total of 1,454 estate agents were licensed and 31,400 salespersons were registered.

The initial licence and registration periods of two and three years were staggered for different estate agents and salespersons. This was to facilitate the industry and CEA administratively in the subsequent renewal for all estate agents and salespersons on a two-yearly basis.

Each month, CEA processes an average of five licence applications, 300 registration applications from new entrants and 300 registration applications from salespersons who switch estate agents.

As at 31 March 2012, there were 1,493 licensed estate agents and 31,769 registered salespersons.

The Estate Agencies System, an IT system with e-services for estate agents and a public website, was built in 2010 to support the licensing and registration operations of CEA. Since then, the system underwent much enhancement to support the needs of the regulatory system.



CEA officers at a familiarisation visit to CBRE Realty Associates' office.

Systematic Resolution of Complaints and Disputes

In its aim to foster a more consumer-centric mindset in the industry, CEA has developed a system for managing complaints and resolving disputes.

In the year of review, a total of close to 90,000 enquiries, feedback and complaints were received from members of the public. These came through various channels, including CEA's customer service counter, website, emails, phone calls, faxes and letters. As at 31 March 2012, CEA received 1,656 complaints. Of these, 1,080 cases had been concluded by CEA, including two that ended in court prosecutions, five in disciplinary actions, and 177 with the issuance of Letters of Advice.

Under the new regime, estate agents are responsible for putting in place a comprehensive and integrated mechanism for managing complaints with the aim of addressing, resolving and reducing them.

On receipt of a complaint against a salesperson, CEA will require the estate agent to carry out its own investigation and provide a report to CEA within 14 days. The involvement of the estate agent in the complaint management process is necessary as they are responsible for managing their salespersons. Their involvement also helps ensure fairness for both the complainant and the salesperson involved. CEA will also conduct its independent investigation to establish the facts, gather evidence and evaluate the report from the estate agent before deciding if a complaint warrants disciplinary or other action.

For cases where a satisfactory resolution cannot be achieved through the in-house system of the estate agent, CEA has introduced the Dispute Resolution Scheme (DRS) which aims to help resolve disputes by way of mediation and arbitration. Consumers can use the DRS to resolve contractual disputes such as commission payable, if they have signed

the Estate Agency Agreements prescribed by CEA. The four Dispute Resolution Centres appointed by CEA are the Consumers Association of Singapore, Singapore Institute of Surveyors and Valuers, Singapore Mediation Centre and Singapore Institute of Arbitrators.

From 2011 to the end of March 2012, 14 cases have gone for mediation/arbitration under the DRS.

Proactive Enforcement

All the regulations in the world will come to naught without a comprehensive and effective enforcement regime.

To ensure estate agents and their salespersons are in compliance with the Estate Agents Act and its regulations, guidelines and Codes, CEA plays a proactive role in monitoring industry operations.

The Council formed its Inspection & Compliance Division in June 2011 to carry out checks on estate agents to identify infringements and unethical behaviour of individuals in conducting estate agency work. These audits help to ensure that proper systems are in place within the individual estate agent's business processes in areas of management and supervision of salespersons, complaint handling, advertisement control and maintenance of proper records.

A series of familiarisation visits to 14 estate agents was conducted by CEA from August 2011 to March 2012. At each visit, CEA officials were given a tour of the estate agent's main operation facilities and interacted with its senior management and key personnel. These visits serve as a feedback channel for estate agents to share their views with CEA on issues such as areas of training, operations, communications, management, information technology systems, service excellence and complaint management.

CEA conducts compliance checks of advertisements by estate agents and salespersons to ensure adherence with laws and regulations. As at 31 March 2012, there were 119 cases of compliance checks and 61 Letters of Advice were issued to those who had committed the infringement and one ended in court prosecution. Checks are also done for advertisements by unlicensed estate agents or unregistered salespersons, in the internet and other media and follow up investigations conducted where necessary.

CEA also conducts on-site compliance checks at property launches, seminars and exhibitions on a regular basis. The practices on the ground, such as the conduct and actions of salespersons, estate agents' management of salespersons, advertising and marketing efforts are checked so as to maintain and enhance professional standards. Any breach of the Regulations by estate agents/salespersons will be acted upon and any unlicensed activities detected will be investigated. Checks are also done on internet property portals. The portals are engaged and asked to incorporate CEA requirements in the design of the services such as incorporating features to display the estate agent licence numbers and salesperson registration numbers.

The new regulatory regime endows CEA with enforcement power. It can investigate and prosecute offenders under the Estate Agents Act. It can also take disciplinary action against salespersons or estate agents if there is a breach of the Code. The range of disciplinary actions includes warnings, fines and suspension and revocation of licence or registration of agents and their salespersons. Letters of Advice may be issued if disciplinary action is not undertaken. Serious offences such as fraud or cheating, which are not under CEA's purview, are escalated to the Police. As part of its enforcement role, the Investigation Division has been actively looking into allegations of breaches of the Estate Agents Act and its Regulations.



A CEA customer service officer ready to attend to telephone enquiries from the public.

During the period of review, CEA filed charges in court to prosecute three individuals for breaches of the Estate Agents Act. One of the cases had concluded and two were ongoing. In the decided case, the accused was convicted for operating as a salesperson without registration and without written authorisation from an estate agent. He was also convicted of making a false declaration to CEA. He was sentenced to imprisonment of one month and fined a total of \$32,000.

The Council also commenced disciplinary proceedings against five salespersons for breaches of the Code of Ethics and Professional Client Care. Two of the cases had concluded while the rest were still ongoing.

In one case concluded in June 2012, the salesperson who acted for the buyer pleaded guilty to charges of not declaring conflict of interest, as she did not reveal to the buyer that she was related to the seller, and not complying with HDB resale procedures. The Disciplinary Committee imposed a suspension of three months and a financial penalty of \$3,000.

For the other case, the salesperson pleaded guilty to using harassing tactics by sending offensive

and vulgar SMS messages to a potential client. The Disciplinary Committee imposed a financial penalty of \$2,500 on the salesperson and awarded costs of \$1,000 to CEA. He was also asked to apologise to the complainant.

In order to adopt a whole-of-government approach to resolving issues, CEA has established liaisons with various law enforcement agencies. These include the Singapore Police Force, Immigration and Checkpoints Authority, Ministry of Manpower, Central Narcotics Bureau and Registry of Moneylenders. The close working with other enforcement agencies was evident in the first CEA prosecution case. The accused was wanted by the Police and faced criminal charges from them, and operational coordination was done between CEA and Police, which led to the court prosecution. With continued collaboration with these agencies, CEA aims to further enhance the effectiveness of its enforcement activities.

On the Horizon

In the year ahead, CEA will continue to review the Estate Agents Act and its Regulations to enhance the regulatory framework and address pertinent consumer and industry issues. In particular, the Council will review the Estate Agents (Estate Agency Work) Regulations 2010 and the Estate Agents (Dispute Resolution Schemes) Regulations 2011.

In the pipeline is the development of a Professional Service Manual which provides guidelines on service standards and ethical behavior in the conduct of real estate agency work.

CEA also plans to continue upgrading the skills of its investigation and enforcement teams. In addition, the Council will explore more ways of using information technology to improve the efficiency and effectiveness of the teams' performance and work processes.

In Step With The Times





Participants at the KEO Seminar 2011.

In Step With The **Times**

In the dynamic real estate sector, it is important for estate agents and salespersons to stay relevant in terms of knowledge and skills so as to deliver high standards of ethical conduct and professional service.

Under the new regulatory framework, CEA aims to raise professionalism and upgrade the capabilities of the industry through continuing training and industry development efforts.



CEA Executive Director, Chionh Chye Khye speaking at the KEO Seminar 2011.



Participants at the SAEA and SISV's International Real Estate Congress. (Photo: SAEA)

Setting the Standard

An important first step in this direction has been the introduction of minimum educational requirements and qualifying examinations for practitioners in the industry.

Under the new Estate Agents (Licensing and Registration) Regulations 2010, the educational baseline for registration of salespersons was established at four GCE "O" Level passes or equivalent. In addition, all salespersons are required to pass the Real Estate Salesperson (RES) examination or the Real Estate Agency (REA) examination before they can be registered to carry out real estate agency work.

This minimum educational qualification is to ensure that newcomers to the profession are able to gain knowledge of the laws, regulations, procedures and processes that are necessary for the conduct of real estate agency work. At the same time, the qualifying RES and REA examinations serve as a mark of assurance that new entrants to the profession, as well as potential KEOs, practising directors and partners of real estate agents have a competent understanding of the policies of the industry and related matters.



Continuing training is integral to the industry's development. (Photo: Life Mastery Academy)

During the transitional phase, CEA allowed a category of existing salespersons to continue working as salespersons on a provisional basis. These salespersons had not passed an industry examination but had completed at least three property transactions over the last two years prior to the formation of CEA. They were required to pass the RES Examination by 31 December 2011, failing which their registration would lapse on 31 December 2011.

Likewise, KEOs, practising directors and partners who did not have any industry qualification equivalent to the REA examination were required to pass the REA examination by 31 December 2011. The deadline to pass the RES/REA examination was subsequently extended to 30 June 2012.

The maintenance of high examination standards is one of the foundations of an effective regulatory regime. As such, qualifying examinations are only administered by the CEA's Appointed Examination Administrators (AEAs).

Similarly, RES and REA courses can only be provided by institutions and organisations recognised under the CEA's Approved Course Provider (ACP) Scheme. These courses serve



CEA engages overseas industry organisations such as Australia's REINT and REISA (left) and the US's NAR (right).

to prepare aspiring salespersons and KEOs for the RES and REA examinations. CEA pays close attention to the quality of training offered by the ACPs and regularly monitors the course feedback and performance of the participants.

The first RES and REA courses commenced in November 2010 and March 2011 respectively. As at 31 March 2012, CEA has administered 12 RES and six REA examinations. A total of 8,754 participants have completed the RES course while 168 participants have completed the REA course.

Pathway for Continued Progress

In the real estate agency industry, as it is in most other industries, consumer confidence is linked to the competence of the service provider. In turn, competence in all aspects of service – from salesmanship to contracts, regulations and more – is inextricably connected to ongoing professional development.

Continuing Professional Development (CPD) is one of the key components of the CEA's regulatory framework to achieve higher professional standards of the real estate agency industry. CEA implemented the mandatory CPD Scheme on 1 April 2011.

Under the Scheme, KEOs and salespersons are required to undertake mandatory CPD training of six credit hours a year for licence and registration renewal. Of the six CPD credit hours a year, a minimum of three credit hours must be on core CPD subjects. Examples of core CPD subjects include government regulations, policies and procedures related to real estate, and CEA regulations and practice guidelines. Non-core CPD subjects, which are also important, are targeted at raising the skills and professionalism of the industry.

The CPD Scheme leverages the experience and expertise of industry partners, government agencies, tertiary institutions and training providers.



Participants at a CPD course conducted by the IEA. (Photo: MND)



Guest-of-Honour, Lee Yi Shyan (middle), then Minister of State for Trade & Industry and National Development, networking with KEOs at the KEO Seminar 2011.

As at 31 March 2012, CEA has approved a total of 177 core CPD training programmes. Of the core courses approved, 97 were conducted by estate agents, 39 by industry associations, and 34 by ACPs. The remaining seven core courses were conducted by various tertiary education institutions, government agencies and other providers.

Since April 2011, CEA has been working with government agencies such as the Housing & Development Board (HDB) and the Urban Redevelopment Authority (URA), local tertiary institutions such as National University of Singapore and Ngee Ann Polytechnic, industry associations and service providers to conduct CPD courses related to their areas of speciality.

For example, CPD courses such as “Resale Procedures & Documentation” and “HDB Housing Policies” for salespersons conducted by HDB were very well received.

Industry associations such as the Institute of Estate Agents (IEA), Singapore Accredited Estate Agencies

(SAEA) and Singapore Institute of Surveyors and Valuers (SISV) play an important role and conduct CPD courses related to residential, commercial and industrial property, covering both sales and lease transactions. They source for trainers and practitioners in various fields such as in specialised areas of estate agency work, law, finance, management and put together programmes which are cleared with CEA as CPD courses for the industry.

CEA also works with the Singapore Institute of Retail Studies (SIRS) to offer Workforce Skills Qualification (WSQ) service excellence training programmes contextualised for the real estate agency industry. SIRS is a national Continuing Education & Training (CET) centre that provides WSQ service excellence training. Since October 2011, several runs of the CPD WSQ course titled “WSQ: Offer Customised and Personalised Services” were conducted for salespersons from various estate agents. The course received good feedback. In line with plans to provide a progression pathway, CEA worked with SIRS on the next level “supervisory level” training,



KEO Seminar 2011 panel discussion, moderated by CEA Deputy Executive Director, Soh Kee Hean (fourth from left).

named “WSQ: Lead a Service Team with CEA Code of Ethics for Real Estate Professionals”. CEA will continue to work with SIRS to roll out relevant programmes, as service excellence gains ground as a hallmark of professionalism in the real estate agency industry.

Dialogues, Collaborations and Exchanges

Continuous learning and improvement in the industry is also achieved through professional interactions, collaborations and exchanges.

Between October 2010 and March 2012, CEA held some 20 KEO briefings, which served as platforms for dialogues and sharing of best practices with the industry.

To mark its first anniversary, CEA organised a KEO Seminar on 18 October 2011 as a platform for industry engagement and networking with stakeholders. The event was graced by Guest-of-

Honour, Lee Yi Shyan, then Minister of State for Trade & Industry and National Development.

Themed “Professionalism and Service”, the seminar covered strategic directions for the real estate agency industry, and best practices to raise professional standards and deliver service excellence in the industry. The speakers included representatives from government agencies and the real estate agency industry. The event attracted over 460 KEOs, guests and journalists.

CEA regularly involved partner agencies, industry associations and estate agents in Working Groups to work on various industry matters such as practice guidelines. This approach ensures that market realities and industry views are considered when changes are made. One such group worked on the first Practice Guidelines on Ethical Advertising and another group was formed to work on the Professional Service Manual.



Guest-of-Honour, Lee Yi Shyan (left) visiting the information booth of the IEA at the KEO Seminar 2011.

Achieving business excellence is also important to the industry. To this end, CEA seeks ways to promote higher productivity within the industry.

The Council held a Focus Group Discussion in September 2011 with a number of small and medium-sized estate agents on the adoption of infocomm as an enabler to enhance their operations and productivity. This initiative was supported by the Infocomm Development Authority of Singapore (IDA) and its business partners, as well as IEA, SISV and SAEA.

An industry workgroup comprising CEA, IDA and the industry associations was formed to identify suitable infocomm solutions for implementation. Successful solutions and adopters will receive funding under IDA's Increase SME Productivity with Infocomm Adoption & Transformation (iSPRINT) Scheme. The solutions are expected to be implemented from end 2012/early 2013. Through this collaborative effort, it is hoped that economies of scale can be achieved, thereby reducing the cost for estate agents to implement recommended solutions.



A focus group discussion involving CEA, IDA and representatives from estate agents.

Key partner agencies are engaged closely by CEA. Two such agencies are the HDB and URA as there are many areas of mutual interest since estate agents operate in the HDB resale market and private property market. Regular meetings are held to discuss policy and operational matters that concerned both agencies. Where necessary, combined Circulars are sent out to estate agents to guide them on practice areas that are regulated by both CEA and the partner agencies.

Since its formation, the Council has also been engaging overseas industry organisations to exchange views and experiences on the real estate profession and practices.

CEA hosted several visits by overseas industry bodies, including the Hong Kong Consumer Council and the Royal Institution of Chartered Surveyors, UK in April 2011, and the Real Estate Institute of the Northern Territory, Australia and Real Estate Institute of South Australia in March 2012. CEA also hosted a visit by the US National Association of Realtors, facilitated by the IEA in November 2010.

Stepping Out In Confidence





Empowering consumers to make informed decisions. (Photo: MND)

Stepping Out In Confidence

The Council safeguards consumer interest vigorously, with public education as a key strategy. It aims to empower consumers to make informed decisions and to approach their real estate transactions with due diligence, responsibility and confidence by providing ready access to important information and creating platforms for consumer engagement.

The Public Outreach Division, formed in May 2011, adopts a three-pronged approach to carry out its public education programme: development of communications platforms; media engagement and publicity; and direct engagement with consumers. During the period of review, several outreach initiatives were implemented to raise awareness of CEA and to educate consumers on their rights and responsibilities, as well as those of salespersons and estate agents.



A CEA officer speaking at the HDB's Resale Talk Series in Malay.



The public can access consumer resources on the CEA website.

Making Consumer Resources Available

The Council's public education work began with three major initiatives. Firstly, the Council launched its own website at www.cea.gov.sg. It serves as an online gateway to all relevant information related to CEA and the real estate agency industry, including CEA's legislation and consumer advisory resources. Also available on the website is a line-up of e-services and development programmes for the industry. The CEA website is linked to websites of other government agencies and associations to enhance public outreach and ease of access to CEA.

Secondly, the Public Register of Estate Agents and Salespersons was launched on 1 January 2011 on the CEA website. The online Public Register provides a listing of all licensed agents and registered salespersons. It contains licensing and registration details, as well as information of awards and recognition that the salespersons or estate agents may have received, along with any disciplinary records. Salespersons who received suspension and/or other penalties from disciplinary proceedings will have such information displayed in their records in the Public Register. The Public Register makes it possible for members of the

public to obtain information on estate agents and salespersons, and to verify that they are licensed or registered with the Council.

CEA also aims to produce a series of consumer educational guides to equip the public with the necessary knowledge to conduct their property transactions in an informed manner.

On 12 December 2011, CEA launched its first consumer guide, titled "Consumer Tips for Engaging a Real Estate Salesperson". The introductory brochure provides practical tips on consumer dealings with salespersons and educates consumers on the roles and responsibilities of salespersons in property transactions. It also offers suggestions on how consumers can play their part by performing due diligence checks on the identity of a salesperson using the Public Register, and what do to if they encounter disputes or wish to report complaints to CEA.

The guide was available free of charge at CEA's office and on its website. It was also distributed to the Housing & Development Board's (HDB) reception counters and Sales & Resale Enquiry Counters, estate agents, industry associations, advisers of grassroots organisations and partner agencies such as the Consumers Association of Singapore (CASE).

Engaging Media and Consumers

The media plays a key role in helping to educate consumers on their rights and responsibilities. Besides issuing press releases and facilitating editorial features and interviews, CEA worked closely with various media to contribute relevant contents for their consumer education series. These include the property-related magazine programme, “Singapore Property Explored Explained & Deconstructed (S.P.E.E.D)” on Channel NewsAsia and a public education series in Berita Harian.

In addition, various media continued to follow up with relevant coverage of CEA's actions against errant estate agents and their salespersons. The media releases of CEA are also placed on its website for industry and consumer reading. These releases relate to areas such as complaint management, conduct of estate agency work, advertising requirements etc. CEA was also featured in weeklies such as the cover article in The Edge Singapore which helped widen the outreach of CEA.

CEA leverages the channels and resources of industry partners to advance its public outreach goals. This includes contributing to publications and communications collaterals of organisations such as CASE. CEA also worked with the Ministry of Manpower to include consumer information related to the estate agency profession in the Ministry's welcome booklet for new Employment Pass Holders.

The Council has been in talks with partners to collaborate and implement various outreach initiatives for consumer education purposes. It started to participate in HDB's monthly resale seminar on 3 September 2011 to raise awareness of CEA's roles and to educate consumers on what to look out for when engaging the services of a salesperson. Between 3 September 2011 and 31 March 2012, CEA participated in 13 consumer education seminars reaching out to close to 1,500 consumers directly. CEA officers spoke at 10 HDB resale seminars: seven English seminars, two Malay and one Mandarin.

The Council also collaborated with the Central Provident Fund (CPF) Board and CASE in their separate outreach efforts to share consumer tips for engaging salespersons at two CPF Board talks and one CASE seminar. On the back of rising demand for consumer education, CEA will be stepping up its direct consumer engagement activities with more partner agencies to further its outreach efforts.

As CASE is a national body representing consumers, CEA has formed a strategic partnership with CASE. Regular meetings and joint efforts are conducted to further consumer outreach and education.

Feeling the Pulses

Timely observations, evaluation and feedback from the public and the industry offer invaluable opportunities for CEA to review and put in place



CEA's Deputy Director (Licensing), Yeap Soon Teck (left) taking a media interview.



CEA participates in consumer education seminars organised by the CPF Board.



CEA's consumer guide provides practical tips on engaging the services of a real estate salesperson. (Photo: MND)

effective regulations, functions and services for the industry and consumers.

In November 2011, CEA embarked on a baseline Public Perception Survey on the real estate agency industry. The objective of the survey was to gauge the perceptions and expectations of consumers and industry members towards the industry.

The scope of the survey covered four areas: public awareness of the roles and responsibilities of CEA, estate agents and salespersons; consumer satisfaction; consumer expectations; and industry perception of KEOs and salespersons. The findings of the survey will help CEA to assess and formulate strategies and programmes for industry development and public education. The survey is expected to be concluded in late 2012.

Raising Public Awareness Further

In the year ahead, CEA will be stepping up its efforts on consumer education by working with more

partners and launching new platforms to provide the public enhanced access to consumer resources.

There will be more consumer guides to cover various aspects of property transactions involving the services of a real estate salesperson. Other initiatives include developing mobile applications to provide information on the go and a newsletter to update on the CEA policies, industry initiatives and consumer outreach efforts.



CEA works with partner agencies, such as CASE, in its consumer outreach efforts.

Together Step By Step





Building a motivated and effective workforce.

Together Step By Step

The key to the successful transformation of the Singapore real estate agency industry lies at the heart of CEA – its people. The Council places emphasis on developing the capabilities of staff and enabling them to maximise their potential.

The Council also recognises the importance of building a stimulating environment that empowers staff to be productive and progressive as they pursue work excellence. It puts in place structures and processes to enable staff to function effectively as well as to meet current and future demands of the industry.



CEA aims to build a stimulating work environment for its workforce.



CEA officers in a discussion.

Building Team CEA

Inculcating a culture of lifelong learning is a priority in CEA's pursuit of organisational excellence. The Council promotes personnel development programmes that enhance staff knowledge and understanding of the latest in the real estate agency industry.

Throughout the year, a full line-up of programmes and visits to various government agencies is put together for all staff to enhance their learning experience of the industry.

All new CEA officers attend a staff induction programme. The programme helps to familiarise the new staff on the mission, roles and operations of the respective government agencies within the Ministry of National Development (MND), and facilitates networking with fellow new colleagues within the MND family.

Continual training for staff is achieved through the adoption of learning roadmaps for all staff. At the start of each work year, staff will identify their learning needs jointly with their supervisors and select training programmes to form their individual



CEA leverages IT to empower its staff.

learning roadmap for the year. The learning roadmap provides training to staff in general development and information technology courses that are appropriate to their work experience and skills qualifications.

CEA staff also participate in seminars organised by other statutory boards, government agencies and private companies to enhance their professional development. An example is the monthly Resale Seminars organised by the Housing & Development Board (HDB) for the public to better understand the policies and processes related to HDB transactions. The Council also makes arrangements for staff to attend other courses to gain knowledge in areas related to their work such as investigation skills, media skills and ethical issues of real estate agency work practices.

In addition to professional career enhancement opportunities, the Council values the importance of a cohesive and passionate workforce.

Formed in early 2012, the Social & Recreational Committee helps to promote team spirit and staff well-being through various engaging activities. These include new staff welcome events, sports activities and social outings.



CEA Deputy Executive Director, Soh Kee Hean (right) receiving the NTUC Certificate of Appreciation from Chief Executive Officer of the Employment and Employability Institute, Ang Hin Kee at the MND's National Day Observance Ceremony 2011.

Motivating Excellence

CEA recognises that a motivated workforce is the key to a stimulating work environment, contributing to long-term peak performance. In the long run, a robust workforce performance management system will also ensure that CEA can attract, develop and retain talented and productive employees.

To this end, staff performance targets are set annually through discussions between supervisors and their officers on each individual officer's annual work plan, in alignment with the Council's objectives. These targets form the basis for the officers' action plans for the year, and will be reviewed periodically with their supervisors, with a final evaluation of the officers' performance being done at the end of the year. Through this process, compensation and rewards will be better linked to each individual's job

performance, thereby contributing to higher levels of confidence and self motivation at work.

Empowering People through IT

CEA also believes in leveraging IT to empower its people. CEA adopts IT to improve its work processes to achieve efficiency and effectiveness. Planned monthly and unscheduled ad-hoc IT meetings are held regularly with technical support staff and IT vendors to discuss development and implementation of new IT programmes at the office level to promote work productivity.

At the individual level, staff have access to a web-based portal to plan their professional development training programme, apply vacation and medical leave, and submit medical, transport and other staff claims.

With its key structures and operational processes already in place, the Council will continue to focus on achieving its strategic goals by creating a conducive work environment primed for achieving excellence for its staff.



Staff participating in the MND Family Day activities.

Statistical Overview

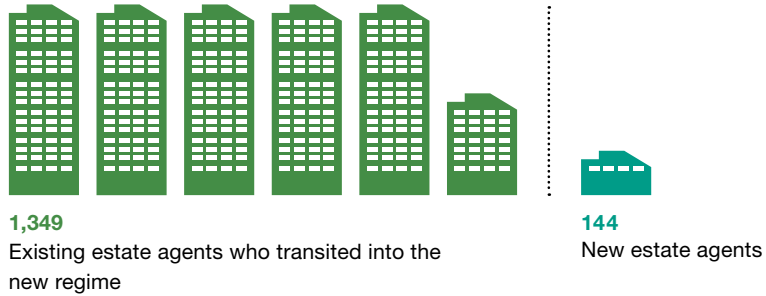
Statistical Overview

As at 31 March 2012

LICENSING & REGISTRATION

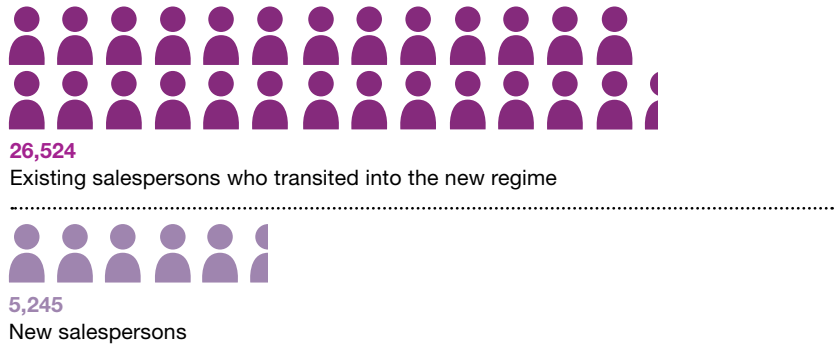
TOTAL NUMBER OF LICENSED ESTATE AGENTS

1,493



TOTAL NUMBER OF REGISTERED SALESPERSONS

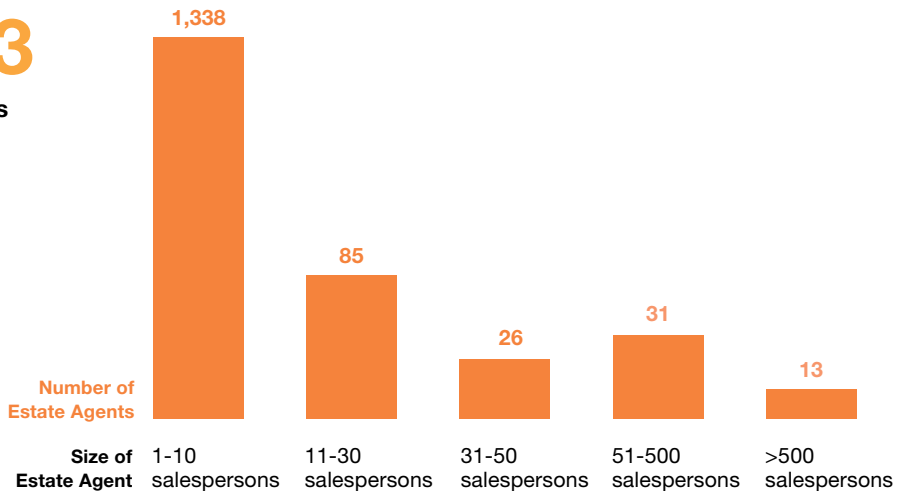
31,769



BREAKDOWN OF LICENSED ESTATE AGENTS BY SIZE

1,493

Estate Agents

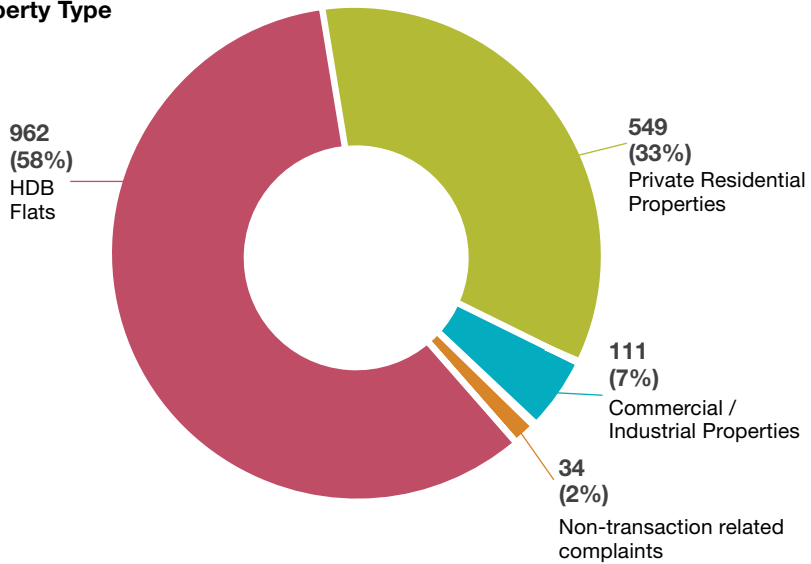


COMPLAINT MANAGEMENT

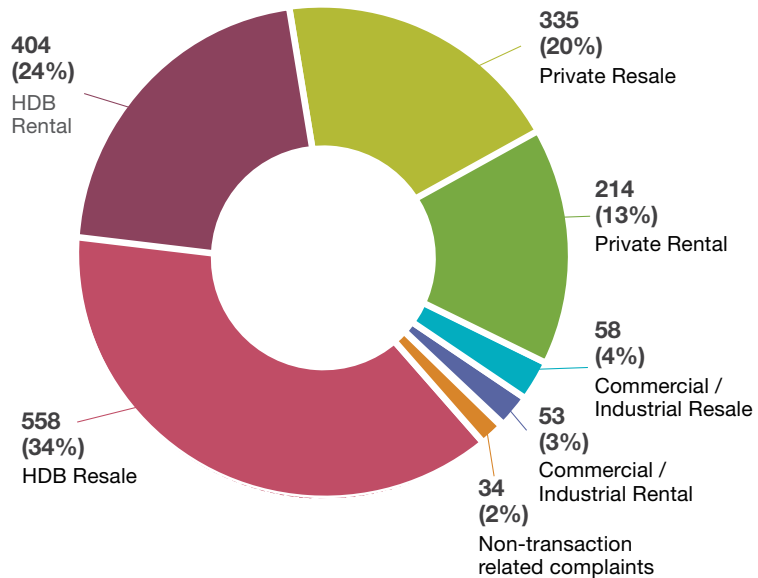
TOTAL NUMBER OF COMPLAINT CASES

1,656

Breakdown by Property Type



Breakdown by Transaction Type



NATURE OF COMPLAINTS

Nature of Complaints	Number of Complaints
Unprofessional / poor service (e.g. wrong advice / not punctual / not following proper procedures)	729 (44%)
Advertisement / flyer (e.g. misleading / missing information / improper distribution of flyers)	272 (16%)
Misconduct (e.g. use of threatening words / harassment / misrepresentation)	261 (16%)
Not acting in client's interest (e.g. conflict of interest / refusing to co-broke / failing to convey offer)	116 (7%)
Unregistered salesperson / unlicensed estate agent	83 (5%)
Dual representation	79 (5%)
Fraud	43 (<3%)
Moneylending	8 (<1%)
Others (e.g. recruitments / seminars)	65 (4%)
Total	1,656

CATEGORIES OF CONCLUDED COMPLAINTS

Categories	Outcomes	Number of Complaints
Resolved by estate agents	Complaints resolved by estate agents	267
Substantiated	Letter of Advice / Warning served on salespersons and estate agents	177
	Disciplinary action	1
Unsubstantiated	Insufficient evidence to substantiate claim	275
	Assessed by CEA that there was no wrongdoing by the salesperson	143
	Baseless / frivolous complaints	4
Referred to other bodies / Government agencies	Small Claims Tribunals	52
	Police (for investigation)	22
No further action	After investigation, established that the cases were not under CEA's purview (e.g. landlord and tenant issues)	139
Total		1,080

ACTIONS TAKEN (INCLUSIVE OF COMPLAINT CASES AND COMPLIANCE CHECKS)

Actions Taken	Total
Letter of Advice (LOA) / Warning	283 LOAs issued to estate agents / salespersons (arising from 238 cases)
Court prosecution	3 cases (1 concluded)
Disciplinary action	5 cases (1 concluded)

DISPUTE RESOLUTION: MEDIATION AND ARBITRATION CASES

As at 31 March 2012, 14 cases had gone for mediation/arbitration under the Dispute Resolution Scheme. In one case*, the mediation session was unsuccessful and the parties went on to arrange for an arbitration session. The mediation cases were held at two of the three Approved Mediation Centres, and the arbitration case at one of the two Approved Arbitration Centres.

Approved Mediation Centres	In Progress	Concluded
Consumers of Association in Singapore (CASE)	0	10
Singapore Institute of Surveyors & Valuers (SISV)	0	2*

Approved Arbitration Centres	In Progress	Concluded
Singapore Institute of Surveyors & Valuers (SISV)	1*	1

The other approved centres are the Singapore Mediation Centre (for mediation) and Singapore Institute of Arbitrators (for arbitration).

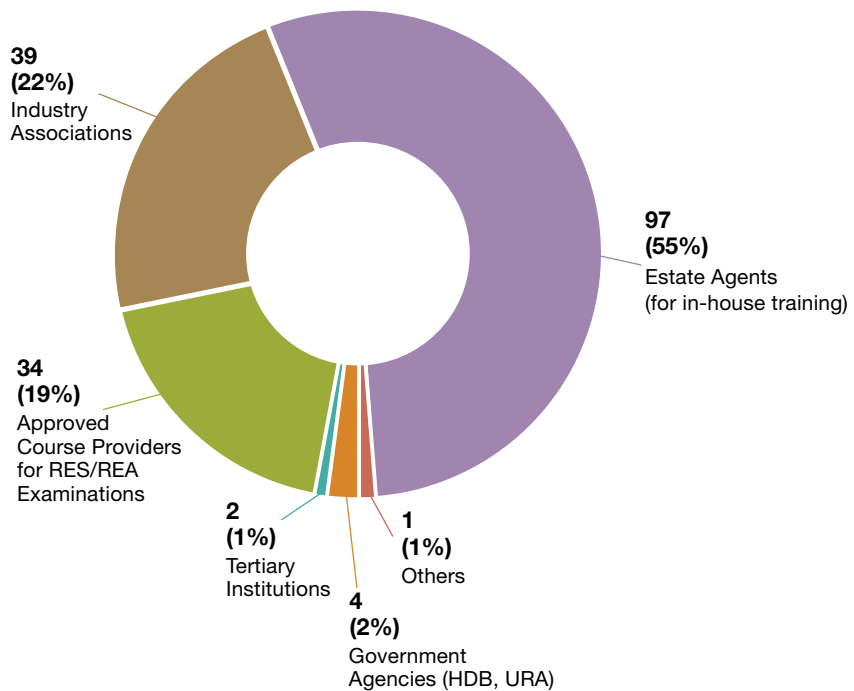
INDUSTRY DEVELOPMENT

NUMBER OF INDUSTRY ENGAGEMENT ACTIVITIES

Platforms	No. of Activities
KEO briefing cum dialogue sessions (Oct 2010 to end-Mar 2012)	20
Familiarisation visits to estate agents (Aug 2011 to Feb 2012)	14

NUMBER OF CORE CPD COURSES APPROVED BY CEA

Breakdown by Provider



Financial Statements

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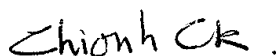
Statement By The Council

In our opinion the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and the statement of cash flows of the Council for Estate Agencies (the "Council"), together with the notes thereon, are drawn up in accordance with the provisions of the Estate Agents Act, Chapter 95A and Statutory Board Financial Reporting Standards, so as to present fairly, in all material respects, the state of affairs of the Council for the financial period from 22 October 2010 (date of formation) to 31 March 2012 and the results and changes in equity of the Council and cash flows of the Council for the financial period then ended.

On behalf of the Council:



Greg Seow
President



Chionh Chye Khye
Executive Director

Singapore
20 June 2012

Independent Auditor's Report

For the financial period from 22 October 2010 to 31 March 2012
To the Members of the Council for Estate Agencies

Report on the Financial Statements

We have audited the accompanying financial statements of the Council for Estate Agencies (the "Council"), which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 22 October 2010 (date of formation) to 31 March 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Estate Agents Act, Chapter 95A (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Council as at 31 March 2012 and of the results, changes in equity and cash flows of the Council for the period from 22 October 2010 (date of formation) to 31 March 2012.

Independent Auditor's Report (Cont'd)

For the financial period from 22 October 2010 to 31 March 2012
To the Members of the Council for Estate Agencies

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Council during the period are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Council whether purchased, donated or otherwise.



Ernst & Young LLP
Public Accountants and
Certified Public Accountants

Singapore
20 June 2012

Statement Of Financial Position

As at 31 March 2012

	Note	31.03.2012 \$'000
ASSETS LESS LIABILITIES		
Non-current assets		
Plant and equipment	4	924
Intangible assets	5	397
		1,321
Current assets		
Trade and other receivables	6	1,015
Prepayments		3
Cash and cash equivalents	7	9,482
		10,500
Less:		
Current liabilities		
Trade and other payables	8	1,699
Deferred revenue	9	5,844
Government grants received in advance	10	2,418
		9,961
Net current assets		539
Non-current liability		
Provision	11	141
		141
Net assets		1,719
Equity		
Capital	12	1,719
Total Equity		1,719



Greg Seow
President

20 June 2012

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement Of Comprehensive Income

For the period from 22 October 2010 (date of formation) to 31 March 2012

	22.10.2010 to 31.03.2012
	\$'000
Note	
Revenue	14,312
Less: Expenditure	
Real estate examinations related costs	1,762
Depreciation and amortisation	539
Fees and charges	3,513
Rental of premises	1,087
Expenditure on manpower	9,293
Administrative and other expenses	1,042
Total operating expenses	17,236
Operating deficit before government grants	(2,924)
Grants	
Grants received from the Government	2,924
Comprehensive income for the period before statutory contribution to Consolidated Fund	–
Statutory contribution to Consolidated Fund	–
Total comprehensive income for the period	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement Of Changes In Equity

For the period from 22 October 2010 (date of formation) to 31 March 2012

	Note	Capital \$'000	Reserves \$'000	Total \$'000
At date of formation (22 October 2010)		–	–	–
Equity financing	12	1,719	–	1,719
Total comprehensive income for the period		–	–	–
Balance as at 31 March 2012		1,719	–	1,719

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement Of Cash Flows

For the period from 22 October 2010 (date of formation) to 31 March 2012

	Note	22.10.2010 to 31.03.2012 \$'000
Cash flows from operating activities		
Operating deficit before government grants		(2,924)
Adjustments:		
Depreciation of plant and equipment	4	444
Amortisation of intangible assets	5	95
Interest income		(5)
Amortisation of deferred income		(11,655)
Operating deficit before working capital changes		(14,045)
Trade and other receivables		(1,015)
Prepayments		(3)
Trade and other payables		1,699
Cash flows used in operations		(13,364)
Deferred income received		17,499
Interest received		5
Net cash flows from operating activities		4,140
Cash flows from investing activities		
Purchase of plant and equipment		(1,227)
Purchase of intangible assets		(492)
Net cash flows used in investing activities		(1,719)
Cash flows from financing activities		
Equity financing received	12	1,719
Government grants received	10	5,342
Net cash flows from financing activities		7,061
Net increase in cash and cash equivalents		9,482
Cash and cash equivalents at date of formation		–
Cash and cash equivalents at end of the financial period	7	9,482

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To The Financial Statements

31 March 2012

1. GENERAL INFORMATION

The Council for Estate Agencies (the "Council") was established on 22 October 2010 under the Estate Agents Act (Chapter 95A) (the "Act") and is under the purview of the Ministry of National Development ("MND"). As a statutory board, the Council is subject to the directions of the MND and is required to implement policies and comply with instructions from its supervisory Ministry and other Government Ministries such as the Ministry of Finance ("MOF").

The registered office and principal place of operations of the Council is located at 490, Lorong 6 Toa Payoh, HDB Hub Biz 3 #05-10, Singapore 310490.

The primary functions and duties of the Council are:

- i) To administer the licensing and registration regimes under the Act;
- ii) To regulate and control the practice of estate agents and salespersons;
- iii) To promote integrity and competence of estate agents and salespersons and to maintain or enhance their status;
- iv) To administer examination and a professional development framework for the purposes of licensing and registration under the Act;
- v) To develop codes of practice, ethics and conduct for estate agents and salespersons;
- vi) To conduct investigations and disciplinary proceedings in relation to offences and unsatisfactory conduct or misconduct in relation to estate agency work;
- vii) To develop measures to equip consumers with the necessary knowledge to conduct their real estate transactions with prudence and diligence; and
- viii) To perform such other functions and discharge such other duties as may be conferred on the Council by any written law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Statutory Board Financial Reporting Standards ("SB-FRS") promulgated by the Accountant-General and the provisions of the Act.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Council are presented in Singapore dollars and rounded to the nearest thousand ("S\$'000"), unless otherwise stated.

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective

The Council has not adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SB-FRS 1 Presentation of items of Other Comprehensive income	1 July 2012
Revised SB-FRS 12 Income taxes	1 January 2012
Revised SB-FRS 19 Employee Benefits	1 January 2013
Revised SB-FRS 24 Related Party Disclosures	1 January 2011
Revised SB-FRS 27 Separate Financial Statements	1 January 2013
Revised SB-FRS 28 Investments in Associates and Joint Ventures	1 January 2013
Revised SB-FRS 101 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment to SB-FRS 101)	1 July 2011
Amendments to SB-FRS 107 Financial Instruments: Disclosures – Transfers of Financial Assets	1 July 2011
SB-FRS 110 Consolidated Financial Statements	1 January 2013
SB-FRS 111 Joint Arrangements	1 January 2013
SB-FRS 112 Disclosure of Interests in Other Entities	1 January 2013
SB-FRS 113 Fair Value Measurement	1 January 2013
Improvements to SB-FRSs 2010	1 January 2011 unless otherwise stated

The Council expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2.3 Functional currency

Items included in the financial statements in the Council are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore dollars, which is the Council’s functional currency.

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write-off the cost of these assets over their estimated useful lives as follows:

Furniture and fittings	8 years
Office equipment	5 years
Renovation	1 – 3 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Council and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial period, depreciation is provided from the period of acquisition and no depreciation is provided in the period of disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual lives are reviewed and adjusted as appropriate, at each reporting date as a change in estimates.

2.5 Intangible assets

Intangible assets acquired, which comprise computer softwares and development costs, are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each reporting period.

The estimated useful lives of the intangible assets are from 3 to 5 years.

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of non-financial assets

The carrying amounts of the Council's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income (surplus or deficit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2.7 Financial assets

Non-derivative financial assets

Non-derivative financial assets comprise other receivables and cash and cash equivalents.

The Council initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Council becomes a party to the contractual provisions of the instrument.

The Council derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position, when and only when, the Council has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (cont'd)

Loans and receivables

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Impairment of loans and receivables

For financial assets carried at amortised cost, the Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Council determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Council considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances at bank and on hand that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.9 Provisions

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants to meet the current period's operating expenses are recognised as income in the financial period in which the operating expenses are incurred.

2.11 Financial liabilities

Non-derivative financial liabilities

Non-derivative financial liabilities comprise trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs on the trade date at which the Council becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. The Council derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Council has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Employee benefits

(a) Defined contribution plan

The Council participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Council makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlement to annual leave is recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. No revenue is recognised if there are significant uncertainties regarding recovery of the considerations due, associated costs or the possible return of fee revenue.

Licence and registration fees

Licence and registration fees received from estate agents and salespersons respectively are recognised on a straight-line basis over the period for which the licence is granted.

Application fees

Application fees for licence and registration are recognised upon the receipt of fees.

Examination fees

Fees from candidates who signed up for the examinations are recognised as and when the examinations are taken.

Interest income

Interest income is recognised using the effective interest method.

2.15 Capital

Proceeds from equity financing received from the Minister of Finance (Note 12).

Notes To The Financial Statements (Cont'd)

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the goods and services tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES ESTIMATES

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 8 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Council's plant and equipment at the balance sheet date is disclosed in Note 4 to the financial statements.

Notes To The Financial Statements (Cont'd)

31 March 2012

4. PLANT AND EQUIPMENT

	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Cost				
At 22 October 2010 (date of formation)	–	–	–	–
Additions	149	135	1,084	1,368
At 31 March 2012	149	135	1,084	1,368
Accumulated depreciation				
At 22 October 2010 (date of formation)	–	–	–	–
Depreciation for the period	17	26	401	444
At 31 March 2012	17	26	401	444
Net carrying amount				
At 31 March 2012	132	109	683	924

Included within the cost of Renovation as at 31 March 2012 is provision for premises reinstatement costs of \$141,000 (Note 11).

5. INTANGIBLE ASSETS

31.03.2012
\$'000

Computer softwares

Cost

At 22 October 2010 (date of formation)	–
Additions	492
At 31 March 2012	492

Accumulated amortisation

At 22 October 2010 (date of formation)	–
Amortisation for the period	95
At 31 March 2012	95

Net carrying amount

At 31 March 2012	397
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Notes To The Financial Statements (Cont'd)

31 March 2012

6. TRADE AND OTHER RECEIVABLES

	31.03.2012 \$'000
Trade receivables	135
Other receivables	880
	1,015
Add: Cash and bank balances	9,482
Total loans and receivables	10,497

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' terms.

As at 31 March 2012, the Council has no trade receivables that are past due but not impaired.

7. CASH AND CASH EQUIVALENTS

	31.03.2012 \$'000
Cash and bank balances	9,482

Cash at banks earns interest at floating rates based on daily bank deposit rates.

8. TRADE AND OTHER PAYABLES

	31.03.2012 \$'000
Trade payables	477
Accrued expenses	961
Provision for unutilised leave	216
Security deposits	45
Total financial liabilities carried at amortised cost	1,699

Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 – 60 days' terms.

Notes To The Financial Statements (Cont'd)

31 March 2012

9. DEFERRED REVENUE

	31.03.2012
	\$'000
Within 1 year	5,844

Deferred revenue relates to annual licence and registration fees received upon registration or renewal of licence from estate agents. The revenue is recognised in accordance with the revenue recognition policy of the Council (Note 2.14).

10. GOVERNMENT GRANTS RECEIVED IN ADVANCE

	31.03.2012
	\$'000
At 22 October 2010 (date of formation)	–
Grants received during the period	5,342
Transferred to income and expenditure statement during the period – operating grants	(2,924)
At 31 March 2012	2,418

31.03.2012
\$'000

Total grants received since formation of the Council	5,342
--	-------

11. PROVISION

Provision was made for the estimated cost of reinstating the Council's rented premises to the original condition upon termination of the lease.

	31.03.2012
	\$'000
At 22 October 2010 (date of formation)	–
Reinstatement costs of rented premises (Note 4)	141
At 31 March 2012	141

Notes To The Financial Statements (Cont'd)

31 March 2012

12. CAPITAL

	31.03.2012 \$'000
At 22 October 2010 (date of formation)	–
Equity financing received	1,719
At 31 March 2012	1,719

Capital represents equity financing by the Minister for Finance, a body corporate incorporated by the Minister of Finance (Incorporation) Act (Cap. 183), in its capacity as shareholder under the debt-equity framework for statutory boards, implemented with effect from 1 September 2004.

During the period, the Council received proceeds from equity financing of \$1,718,729 from the Ministry of Finance. 1,718,729 ordinary shares will be issued subsequent to 31 March 2012. These shares will be held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Cap. 183).

13. REVENUE

	22.10.2010 to 31.03.2012 \$'000
Licence, registration and application fees	11,655
Examination fees and others	2,657
	14,312

Notes To The Financial Statements (Cont'd)

31 March 2012

14. EXPENDITURE ON MANPOWER

	22.10.2010 to 31.03.2012 \$'000
Key management personnel	
Salaries and related costs	2,563
Central Provident Fund contribution	54
	<u>2,617</u>
Other than key management personnel	
Salaries and related costs	6,184
Central Provident Fund contribution	492
	<u>6,676</u>
	<u>9,293</u>

The Council reimbursed the Housing & Development Board for the manpower costs paid on its behalf.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council.

15. ADMINISTRATIVE AND OTHER EXPENSES

Included in administrative and other expenses are:

	22.10.2010 to 31.03.2012 \$'000
Council members' fees	101
Goods and services tax expenses	578
Furniture, fittings and equipment expensed off	<u>221</u>

Notes To The Financial Statements (Cont'd)

31 March 2012

16. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Council if the Council has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Council and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Under SB-FRS 24, the parent Ministry and other state-controlled entities are deemed as related parties.

During the financial period, the Council rented premises, and procured administrative support services for human resources, information technology and finance from the Housing & Development Board. The total amount for these transactions for the financial period are \$3,795,656.

During the financial period, the Council also procured services amounting to \$1,023,750 from the Criminal Investigation Department for the screening of salespersons and estate agents.

Other than as disclosed elsewhere in the financial statements, there are no significant transactions with related parties which were carried out in the normal course of business.

17. STATUTORY CONTRIBUTION TO CONSOLIDATED FUND

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Council is exempt from income tax.

In lieu of income tax, the Council is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) and in accordance with the Financial Circular Minute No M5/2005. The amount to be contributed is based on 17% of the net surplus of the Council.

There is no contribution for the current financial period.

Notes To The Financial Statements (Cont'd)

31 March 2012

18. COMMITMENTS

Operating lease commitments – as lessee

The Council has entered into lease agreements for its office premises and computer services. These non-cancellable leases have lease terms of more than one year.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	31.03.2012
	\$'000
Not later than one year	1,200
Later than one year and not later than five years	683
	<hr/> 1,883

The leases on the Council's premises on which rentals are payable will expire on 30 September 2014.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole activities of the Council. The Council has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Council continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

Credit risk

As at the end of the reporting period, the Council has no significant concentrations of credit risk. Cash and cash equivalents are placed with financial institutions which are regulated.

The maximum exposure to credit risk is represented by the carrying amounts of its financial assets in the statements of financial position.

Liquidity risk

The Council receives its funds from the Government of Singapore and generates cash from its operating activities to meet its funding requirements. The Council monitors and maintains sufficient cash and cash equivalents to finance its operations.

All financial assets and liabilities are repayable on demand or due within 1 year from the end of the reporting period, except for the provision for reinstatement costs of rented premises (Note 11).

Notes To The Financial Statements (Cont'd)

31 March 2012

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk

At the reporting date, the Council has limited exposure to interest rate risk.

Fair value for other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

20. COMPARATIVE FIGURES

No comparative figures are presented as this is the first set of financial statements prepared by the Council since its formation.

21. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the period ended 31 March 2012 were authorised for issue by members of the Council on 20 June 2012.

Council for Estate Agencies

490 Lorong 6 Toa Payoh
#05-10 HDB Hub Biz 3 (Lift Lobby 1)
Singapore 310490
Tel: (65) 6643 2555
Fax: (65) 6643 2575
Website: www.cea.gov.sg