



Always
Upholding



Effective regulatory framework

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CEA administers a robust regulatory framework to govern the real estate agency industry in Singapore. Through the implementation of regulatory guidelines, mandatory licensing and registration, and firm and fair enforcement actions, CEA seeks to uphold high standards of professionalism in the industry and safeguard consumer interests.

In FY2014, CEA enhanced the e-service application process which in turn improved the efficiency of the annual renewal exercise for estate agents and salespersons. CEA continued to step up monitoring of industry operations, drive regulatory compliance and enforcement, and work with stakeholders to update and implement guidelines to promote professional practices in the industry.

LICENSING AND REGISTRATION

In FY2014, CEA processed and approved a total of 109 licence applications and 2,478 registration applications. Following the completion of the year-end renewal exercise, as at 1 January 2015, there were 1,369 licensed estate agents and 30,830 registered salespersons.

CEA implemented enhancements to the e-service application to enable the system to provide timely updates to estate agents and salespersons on the status of salespersons' renewal applications and outstanding issues. This significantly improved the process efficiency of the renewal exercise, which resulted in fewer clarifications and enquiries from estate agents and salespersons compared to previous years.

COMPLAINT MANAGEMENT AND RESOLUTION

Effective complaint management hinges on a responsive and timely resolution framework. CEA provides multiple channels for feedback from the public and industry, which include its customer service counter, hotline, email and website. In FY2014, the customer service operations team served a total of 5,173 walk-in customers and handled over 40,000 calls.

CEA received a total of 702 complaints in the year, down from 751 complaints in FY2013. The top three complaints were related to advertisements that carried misleading information or improper distribution of flyers, unprofessional services rendered by salespersons and salesperson misconduct.



CEA received over 40,000 calls in FY2014

In FY 2014, CEA concluded 600 complaint cases, of which 331 were substantiated and 167 unsubstantiated. Estate agents resolved 13 cases while 89 cases were found not to be under the purview of CEA or referred to the Police.



Customer service officers are well trained to respond to consumer queries and feedback

Consumers and salespersons continued to make use of the CEA Dispute Resolution Scheme to resolve contractual disputes. In FY2014, 17 cases went through mediation at the three approved mediation centres and 94% of the cases were resolved successfully.

EFFECTIVE ENFORCEMENT

CEA conducts periodic checks on the ground to ensure that estate agency work is performed in compliance with the Estate Agents Act and its Regulations, guidelines and circulars. In FY2014, CEA carried out 22 inspections on estate agents to ensure that they comply with the Code of Practice for Estate Agents. This includes maintenance of proper systems for management and supervision of salespersons, complaint handling, advertisement control and retention of transaction records.

In addition, CEA completed 56 compliance checks on advertisements in the internet and print media to ensure that entities and individuals comply with advertising requirements provided for under the Estate Agents Act and its Regulations and guidelines.

CEA also conducted 29 field surveillances at property launches, property exhibitions and investment seminars. At these events, CEA officers assessed estate agents and salespersons to ensure that there was no unethical behaviour or malpractice. CEA also looked out for entities or individuals conducting unlicensed estate agency work.

A case of unlicensed estate agency work carried out under the guise of a property investment club was detected during one of the field surveillances. Tan Yang Po, owner of AZEA Personal Coaching, had conducted estate agency work within a members-only club by introducing her clients to foreign property developers, and collecting commission for each successful sale. For acting as an estate agent without a licence, Tan was sentenced to a total fine of \$48,000, in default nine weeks' imprisonment. This was the first prosecution case related to unlicensed estate agency work for the sale of foreign properties.

The successful prosecution of Tan serves as a strong deterrent to other property investment clubs which may be engaging in similar unlicensed estate agency work, and creates heightened consumer awareness of the importance of due diligence and engaging licensed estate agents and registered salespersons.



Staff from various divisions discussing a prosecution case

During the year, investigation work focused on estate agency work conducted by unlicensed estate agents and unregistered salespersons, and salespersons involved in moneylending activities. HDB resale transactions where salespersons were suspected of carrying out unlicensed moneylending activities were referred to the Police. In one case, the Police charged a salesperson's husband for three counts of unlicensed moneylending activities under the Moneylenders Act. The salesperson's application for registration renewal was rejected by CEA as she had facilitated the illegal moneylending to her clients.

In FY2014, CEA prosecuted 12 individuals and 10 of these cases were concluded in the year. A total of seven cases filed before 1 April 2014 were also concluded in FY2014. The 17 concluded cases were mainly related to unlicensed estate agency work, dual representation and handling of transaction money in property transactions.

CEA also initiated disciplinary proceedings against 18 salespersons for various infringements under the Code of Ethics and Professional Client Care. These included failure to convey an expression of interest, failure to act in the client's best interest, failure to comply with HDB procedures, and actions which brought disrepute to the industry such as assaulting a client. Six of the individuals were convicted by the Disciplinary Committee with the remaining 12 cases pending as at 31 March 2015. Fourteen other cases commenced before 1 April 2014 were also concluded with conviction in FY2014, with the exception of one acquittal.

In FY2014, CEA issued 15 composition notices for compoundable offences, including the handling of transaction monies.

PRACTICE GUIDELINES & CIRCULARS

CEA issues practice guidelines and circulars, in consultation with the industry, to provide greater clarity to new and existing policies and regulations, and to promote professional

practices in real estate agency work. CEA also works with other government agencies on information useful to estate agents and salespersons in the course of their work. This includes policy or procedural updates to provide guidance on areas regulated by the partner agencies.

In June 2014, CEA issued the Practice Guidelines on Conduct between Salespersons to provide guidance on the standard of conduct and ethical behaviour expected among industry practitioners. The guidelines spell out the general duty of salespersons towards other salespersons, and the conduct to be observed in relation to exclusive listings, and co-broking for exclusive and non-exclusive listings. It also covers ethical standards required of estate agents' team leaders and members.



Inspection at the premises of an estate agent

CEA also worked with the Personal Data Protection Commission on the Advisory Guidelines for the real estate agency industry to address various situations faced by the sector in complying with the Personal Data Protection Act and its Do Not Call provisions. The guidelines were published in May 2014.



Industry stakeholders engaged in a CEA workgroup discussion

Singapore has a comprehensive anti-money laundering and countering the financing of terrorism (AML/CFT) regime founded on a strong legal and regulatory framework. Efforts to drive AML/CFT are led by a Steering Committee comprising the Ministry of Home Affairs, the Ministry of Finance and the Monetary Authority of Singapore (MAS). As the real estate agency sector is part of the AML/CFT regime, CEA works with the industry to raise awareness and ensure compliance with the AML/CFT requirements.

In February 2015, CEA issued a revised Practice Circular on the Prevention of Money Laundering and Countering the Financing of Terrorism to supersede the previous circular issued in November 2013. This circular sought to further improve industry awareness and understanding of issues relating to AML/CFT. It provided updated information to estate agents and salespersons on the appropriate preventive measures to adopt against such activities that might be conducted through property transactions. Also highlighted were the key provisions, offences and obligations for compliance by estate agents and salespersons. In addition, CEA issued a self-assessment checklist to guide estate agents on their compliance with the revised practice circular.

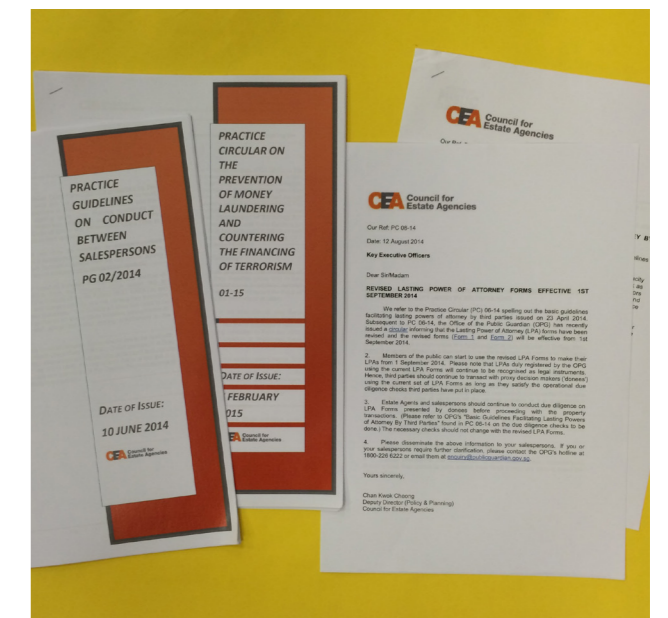
An inspection framework will be implemented to facilitate checks on estate agents' compliance with the AML/CFT procedures. Explanatory materials and a guide will also be developed to help salespersons understand and adopt the appropriate procedures and customer due diligence measures.

Other practice circulars issued in the year included information relating to the facilitation of the Lasting Power of Attorney in sale or purchase transactions, and changes relating to the rate structure of buyer's stamp duty, share transfer duty, lease duty and mortgage duty.

To ensure continuing relevance with developments in the industry, CEA will be reviewing previously issued practice guidelines on ethical advertising, professional service manual, option to purchase and sale & purchase agreements in FY2015.

Plans are underway for the development of a new complaint management module to facilitate online submission and processing of consumer complaints.

To reflect and enhance the growing professionalism of the industry, CEA is working together with industry stakeholders on the feasibility of a certification programme to recognise estate agents with excellent organisational and business practices. CEA will be organising focus group discussions to seek the input and views of estate agents and salespersons.



Practice guidelines and circulars are issued to guide professional practices