

Annual Report 2014/15

# Always Advancing



# Contents

01	Vision & Mission
02	Joint Message
04	Council Members
06	Senior Management
08	CEA Committees
12	Who We Are
13	Organisational Chart
14	Key Activities
18	Always Upholding
24	Always Building
30	Always Connecting
36	Always Investing
42	Statistical Overview
48	Financial Statements

## 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

**Always Advancing** - in the way we grow our capabilities, engage with our stakeholders and deliver on our responsibilities. We are constantly keeping a firm focus on enabling industry excellence and inspiring trust among consumers. Together with our stakeholders and partners, we will address the challenges and harness opportunities in developing a professional real estate agency industry in Singapore.

# Joint Message



## Advancing Towards a Trusted Real Estate Agency Industry

The Council for Estate Agencies (CEA) continued its focus on effective regulation, industry development and consumer outreach during FY2014.

### RAISING INDUSTRY PROFESSIONALISM

Continuing education in elevating professional and service delivery standards in the real estate agency industry remains a key pillar at CEA. Our Continuing Professional Development (CPD) Training Roadmap, which was introduced last year, laid the foundation for the holistic training and development of Key Executive Officers (KEOs) and salespersons. To keep the industry abreast of the latest developments, courses on new topics such as the conduct between salespersons and the marketing of foreign properties were made available. The Real Estate Agency examination syllabus was also updated and revised to ensure relevance to the industry.

To make learning more accessible and convenient for real estate practitioners, CEA piloted an e-learning web application on advertising guidelines. From the positive experience, two core CPD topics - Professional Service Manual and Practice Guidelines on Conduct between Salespersons were selected for training providers to develop e-learning courses for the industry. There are plans to extend e-learning to other CPD courses as well.

To enhance professional practices, a best practices depository was developed and made available online to estate agents. CEA also provided regular policy and procedural updates

through practice guidelines and circulars to share best practices and reflect current industry trends.

### KEEPING IN CLOSE TOUCH

We recognise that the real estate agency industry is operating in an increasingly competitive and challenging environment. Over the past year, CEA continued to keep in close touch with our industry stakeholders through regular briefings, dialogues and focus group discussions. These forums provide us with an opportunity to broach issues impacting our stakeholders, seek input on their experiences transacting with us and receive feedback on our upcoming plans.

### TAKING FIRM BUT FAIR REGULATORY ACTION

FY2014 saw CEA stepping up investigations and taking disciplinary actions against several cases of malpractices and breaches of industry guidelines. We invested in staff training relating to investigation work and industry regulations so that our officers are equipped to ensure rigorous standards and timely completion of all investigations, and effective management of consumer complaints.

We are heartened to observe a decline in the number of consumer complaints against salespersons, as regulatory enforcement, professional development of salespersons and consumer education have enhanced industry standards. On a per thousand transaction basis, to adjust for market volume, the number of complaints over the past five years has declined by two-thirds from around 15 to about five currently.

### EMPOWERING CONSUMERS

Enabling consumers to take a shared responsibility in achieving well executed property transactions remains a key focus at CEA. Over the year, we provided educational information to consumers on specific issues related to purchasing and leasing of properties through various media channels and platforms.

Given the diversity of consumers we reach out to - from first-time home buyers, seniors, to foreign property investors - we adopted a targeted approach in our engagement efforts. FY2014 saw CEA teaming with public, private and non-profit agencies to connect with consumers at expos, symposiums and seminars. During these sessions, our officers shared regulated industry practices and the steps consumers can take to protect their interests.

To extend our outreach to the wider community, CEA launched a print advertisement campaign in the local major dailies. The advertisements in four local languages featured illustrations and advice on engaging a salesperson for property transactions. The broadcast and print media also featured case studies on the importance of knowing consumer rights and exercising caution when making a property transaction.

### PRIORITIES AHEAD

CEA is entering the fifth year in its role as enabler and regulator of the real estate agency industry. Together with the industry, a certification programme is being considered, to encourage estate agents with good business processes that promote professional and consistent service to customers. The working group is in the process of seeking feedback and suggestions from KEOs and salespersons. We will also strengthen capabilities in support of industry development. More avenues and resources will be made available to enable practitioners to sharpen their competencies through continuous learning.

We will be embarking on a second survey to gauge how consumer perceptions and expectations of the industry have evolved since our first baseline survey in 2012. Insights from the survey will help us implement fresh initiatives in our community and industry engagement efforts.

We will be streamlining and introducing more flexibility in our business and administrative processes, to be more responsive to the industry and to improve service delivery to customers.

### VALUED PARTNERSHIPS

Much of what is presented in this report was made possible because of the contributions of many individuals and organisations.

We appreciate the guidance from our fellow Council members who have helped advance the strategic direction of CEA. We welcomed three new members - Quek See Tiat, Deborah Ong and Michael Tan - to the Council in August 2015, and look forward to their contributions.

We are also thankful for the advice of the four Committees which have enabled us to work more effectively. The collaborative partnerships forged with industry partners, estate agents and salespersons are invaluable to us, and we are grateful for their support. We would also like to acknowledge the dedication and strong spirit of purpose shared by the leadership and staff of CEA, and we look forward to working closely with CEA's stakeholders in the year ahead to further strengthen Singapore's real estate agency industry.

**Greg Seow**  
Council President

**Chionh Chye Khye**  
Executive Director

# Council Members

22 October 2013 to 21 October 2016



*Top Row (Left to Right)*

**Greg Seow**  
Council President  
Director  
PartnerRe Limited

**Quek See Tiat**  
Deputy Council President  
Chairman  
Building and  
Construction Authority  
(w.e.f. 1 August 2015)

**Chionh Chye Khye**  
Executive Director  
Council for Estate  
Agencies

*Bottom Row (Left to Right)*

**Yap Chin Beng**  
Deputy Chief Executive  
Officer  
(Estate & Corporate)  
Housing & Development  
Board

**Seah Seng Choon**  
Executive Director  
Consumers Association  
of Singapore

**Ho Tian Lam**  
Senior Advisor  
DTZ Debenham  
Tie Leung (SEA) Pte Ltd

**Deborah Ong**  
Assurance Partner and  
Partner in-charge of the  
Firm's Risk and Quality  
function  
PricewaterhouseCoopers  
Singapore  
(w.e.f. 1 August 2015)



*Top Row (Left to Right)*

**Assoc Prof Yu Shi Ming**  
Department of Real Estate  
School of Design and  
Environment  
National University  
of Singapore

**Er Dr Tan Guan**  
Senior Principal  
T.Y.Lin International  
Pte Ltd

**Lawrence Ang Boon Kong**  
Senior Consultant  
Donaldson & Burkinshaw

**Ho Chee Pong**  
Director-General  
Singapore Customs

*Bottom Row (Left to Right)*

**Michael Tan**  
Executive Director and  
Key Executive Officer  
OrangeTee.com Pte Ltd  
(w.e.f. 1 August 2015)

**Pauline Goh**  
Chief Executive Officer  
CBRE Singapore &  
Southeast Asia Pte Ltd

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

**Harrif Bin Hambali**  
Consultant  
Asian Leaders Institute  
Pte Ltd



# Senior Management



*Top Row (Left to Right)*  
**Chionh Chye Khye**  
Executive Director

**Lee Kwong Weng**  
Deputy Executive Director  
(w.e.f. 1 January 2015)

*Bottom Row (Left to Right)*  
**Soh Chor Yin**  
Deputy Director  
(Corporate Development)  
(Until 31 July 2015)

**Khor Chor Huat**  
Deputy Director  
(Investigation)

**Timothy Kho**  
Deputy Director  
(Legal)

*Top Row (Left to Right)*  
**Chan Mun Kit**  
Director  
(Regulatory Control)

**Purnima Shantilal**  
Director  
(Licensing & Investigation)

**Heng Whoo Kiat**  
Deputy Director  
(Licensing)  
(w.e.f. 1 April 2015)

*Bottom Row (Left to Right)*  
**Koh Pek Hoon**  
Deputy Director  
(Public Outreach)

**Desmond Yeo**  
Deputy Director  
(Inspection & Compliance)

**Chan Kwok Cheong**  
Deputy Director  
(Policy & Planning)



# CEA Committees

## Examination & Professional Development Committee

26 October 2014 to 25 October 2016

**Chairman** **Assoc Prof Yu Shi Ming**  
Department of Real Estate  
School of Design and Environment  
National University of Singapore

### Members

**Chng Shih Hian**  
Senior Executive Director  
Suntec Real Estate Consultants Pte Ltd

**Ho Tian Lam**  
Senior Advisor  
DTZ Debenham Tie Leung (SEA) Pte Ltd

**Michael Tan**  
Executive Director and Key Executive Officer  
OrangeTee.com Pte Ltd

**Sieow Teak Hwa**  
Key Executive Officer  
Teakhwa Real Estate Pte Ltd

**Assoc Prof Sing Tien Foo**  
Deputy Head, Administration and Finance  
Department of Real Estate  
School of Design and Environment  
National University of Singapore

**Edith Tay Hwee Pheng**  
Director and Key Executive Officer  
PropertyBank Private Limited

**Tan Chew Ling**  
Group Director, Estate Administration & Property  
Housing & Development Board

**Augustine Tan**  
President, REDAS  
Executive Director, Property Sales & Corporate Affairs  
Far East Organisation

**Chua Yang Liang**  
Head of Research, South East Asia and Singapore  
Jones Lang LaSalle Property Consultants Pte Ltd

**Tan Choi Heng**  
Course Manager, School of Design and Environment  
Ngee Ann Polytechnic

**Chan Mun Kit**  
Director, Regulatory Control  
Council for Estate Agencies

### Functions

1. Determine examination syllabus for Key Executive Officers, practising directors/partners and salespersons, and ongoing review to ensure it is comprehensive, relevant to profession, and to raise industry standards
2. Examine and ensure CEA examinations and preparatory courses are able to achieve above mentioned objectives
3. Examine training needs and advise on appropriate training programmes to raise professional competency and standards
4. Oversee implementation of mandatory Continuing Professional Development (CPD) Scheme
5. Establish criteria and determine suitability of Real Estate Salesperson course, Real Estate Agent course and CPD course providers
6. Review and recommend educational qualifications recognised as meeting the 4 GCE "O" Level qualifications and CEA examinations
7. Consider and recommend debarment of examination candidates for breaches of examination rules and regulations

## Licensing & Practice Committee

26 October 2014 to 25 October 2016

**Chairman** **Er Dr Tan Guan**  
Senior Principal  
T.Y. Lin International Pte Ltd

### Members

**Fong Heng Boo**  
Director, Special Duties  
Singapore Totalisator Board (until 7 December 2014)

**Lee Kut Cheung**  
Managing Director  
RSP Architects Planners and Engineers (Pte) Ltd

**Albert Lu Nguan Soo**  
Key Executive Officer and Director  
C & H Properties Pte Ltd

**Ng Boon Yew**  
Chairman  
Raffles Campus Pte Ltd

**Tan Hong Boon**  
Regional Director, Investments  
Jones Lang LaSalle Property Consultants Pte Ltd

**Prof Tang Hang Wu**  
School of Law  
Singapore Management University

**Dennis Yeo Huang Kiat**  
Key Executive Officer and Managing Director  
Colliers International (Singapore) Pte Ltd

**Pauline Goh**  
Chief Executive Officer  
CBRE Singapore & Southeast Asia Pte Ltd

**Er Lim Peng Hong**  
Managing Director  
PH Consulting Pte Ltd

**Eugene Lim**  
Key Executive Officer  
ERA Realty Network Pte Ltd

### Functions

1. Review and recommend changes to licensing/registration criteria
2. Consider and review processes for licensing/registration, including renewal and continuation processes
3. Consider, review and recommend debarment guidelines
4. Consider licensing/registration debarment cases, including rejecting applicants not fit and proper, considering reconsideration requests and revocation/suspension recommendations
5. Review and recommend amendments to Code of Ethics and Professional Client Care for estate agents and salespersons and Code of Practice for estate agents
6. Consider, review and recommend revision to Practice Circulars and Guidelines on various aspects of estate agency work

# CEA Committees

## Disciplinary Panel

26 October 2014 to 25 October 2016

**Head** **Lawrence Ang Boon Kong**  
Senior Consultant  
Donaldson & Burkinshaw

### Members

**Er Chan Ewe Jin**  
Managing Director  
Ecas-EJ Consultants Pte Ltd

**Reymond Fernandez**  
Managing Director  
Reyfern Real Estate Consultancy Pte Ltd

**Christopher Thomas Koh Kia Yong**  
Director  
Chris International

**Assoc Prof Tan Teng Hooi**  
Head, Building & Project Management Programme  
School of Science & Technology  
SIM University

**Derrick Wong**  
Partner  
Derrick Wong & Lim BC LLP

**Yashodhara Dhoraisingam**  
Consultant  
KSCGP Juris LLP

**Victor Lee Chay Pin**  
Senior Partner  
Chambers Law LLP

**Dr Tan Tee Khoon**  
Key Executive Officer  
KF Property Network Pte Ltd

**Tan Hee Joek**  
Partner  
Tan See Swan & Co

**Yong Kwet Leong**  
Director  
Assets Consultancy Enterprise Pte Ltd

**David Huan**  
Principal Trainer  
Benchmark Realpro Pte Ltd &  
Senior Group Division Director  
SLP Realty Pte Ltd

**Assoc Prof Chin Tet Yung**  
Faculty of Law  
National University of Singapore

**Prof Teo Keang Sood**  
Faculty of Law  
National University of Singapore

**Felix Chua**  
Key Executive Officer  
Cyberhomes Estate Agencies Pte Ltd

**Roy Grenville Neighbour**  
Referee, Small Claims Tribunal  
State Courts

**B Rengarajoo**  
Principal  
B Rengarajoo & Associates  
Advocates & Solicitors

**Michael S Chia**  
Director  
Chia-Thomas Law Chambers LLC

**Peter Koh Hock Guan**  
Key Executive Officer  
Gateway Property Consultants Pte Ltd

**Goh Peng Thong**  
Director  
AWP Pte Ltd

### 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 reprimands, fines, suspension, revocation, and imposition of conditions on the estate agencies and salespersons
3. Make recommendations as may be appropriate in relation to the disciplinary case hearing process

## Audit Committee

1 March 2014 to 29 February 2016

**Chairman** **Ho Chee Pong**  
Director-General  
Singapore Customs

### Members

**Sin Lye Chong**  
Group Director, Land Sales & Administration  
Urban Redevelopment Authority

**Fong Heng Boo**  
Director, Special Duties  
Singapore Totalisator Board (until 7 December 2014)

**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; and
  - 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

## Who We Are

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 industry, CEA administers the licensing of estate agents and registration of salespersons, and regulates 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.

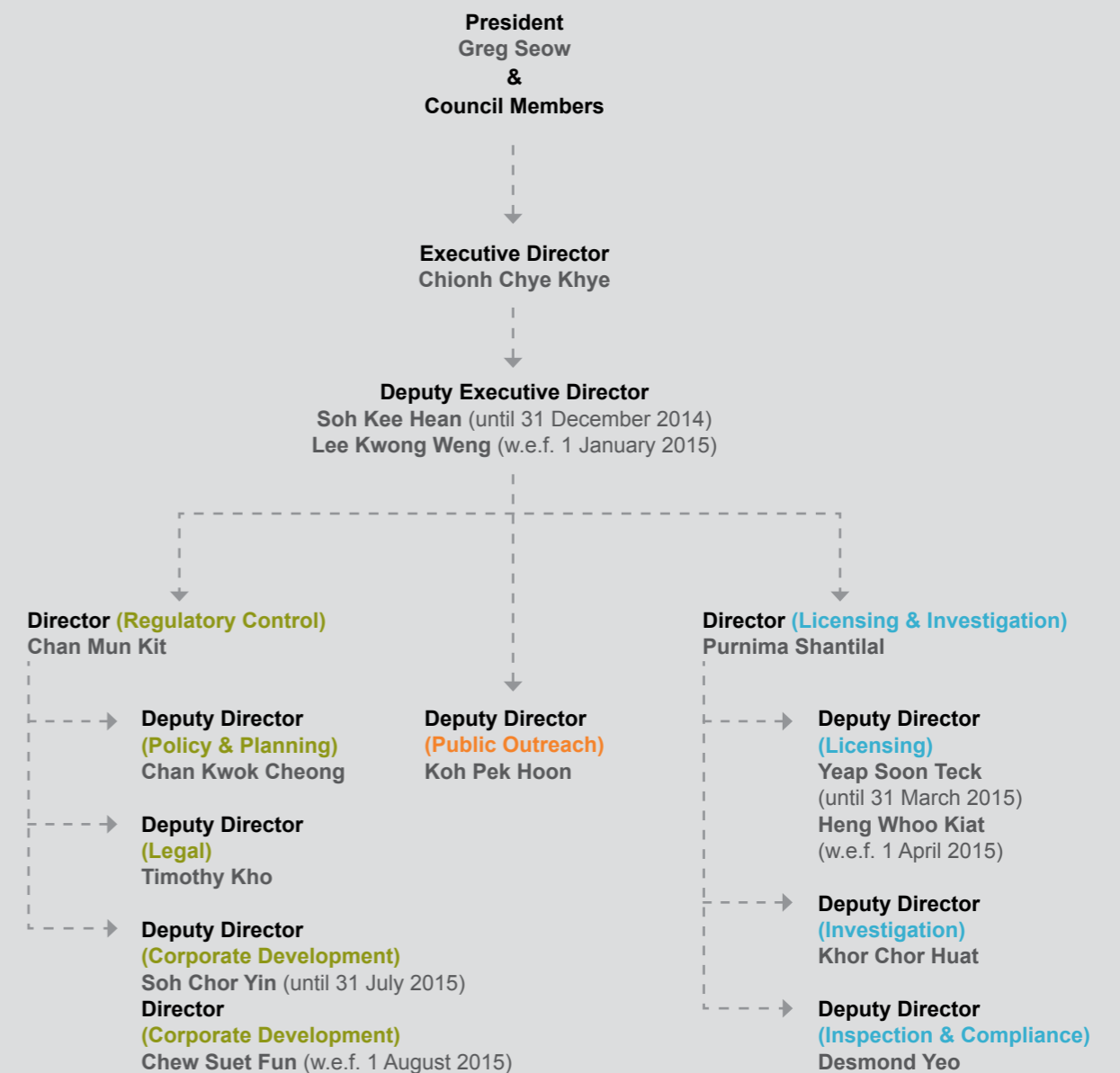
CEA works closely with the industry to raise professionalism, expand capabilities and promote business excellence. It administers the mandatory examination and continuing professional development framework as well as appoints course providers. It identifies opportunities and fosters collaborations with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





# KEY ACTIVITIES

1 April 2014 to 31 March 2015



Educational seminars equip consumers with the necessary knowledge in property transactions

## April 2014

- Issued Practice Circular on basic guidelines facilitating lasting powers of attorney by third parties.

## May 2014

- Conducted the first Real Estate Salesperson examination based on the revised examination syllabus.
- Set up a Best Practices Depository on CEA website to serve as a resource for estate agents to share and adopt best practices in the real estate agency industry.
- Worked with the Personal Data Protection Commission on its Advisory Guidelines for the Industry on Personal Data Protection Act and Do Not Call Registry.
- Organised the Get It Right! CEA-CASE consumer seminar on 24 May 2014 to educate consumers on key considerations for buying new developments, leasing private residential properties and the potential pitfalls in property transactions.



New entrants to the industry sitting for the revised Real Estate Salesperson examination (Photo: NTUC Learning Hub Pte Ltd)

## June 2014

- Issued Practice Guidelines on conduct between salespersons to raise the standard of conduct and ethical behaviour among salespersons in the industry.
- In support of the visually impaired, CEA participated in the 'Dining in the Dark' event organised by the Singapore Association of the Visually Handicapped on 19 June 2014.

## July 2014

- Commenced membership with the Association of Real Estate License Law Officials from 1 July 2014.

## August 2014

- Received the Minister's Award (Team) on 7 August 2014 for effective approach for successful prosecution of CEA cases.
- Issued Practice Circular on revised lasting power of attorney forms.
- Participated in NTUC's U Live Symposium on 16 August 2014 to engage seniors on how to be savvy consumers in property transactions.



U Live Symposium participants engaged in a CEA quiz



Recipients of the Minister's Award (Team) with the Minister for National Development, Khaw Boon Wan



# KEY ACTIVITIES

1 April 2014 to 31 March 2015

## September 2014

- Participated in the inaugural Singapore Realtors Conference organised by the Singapore Institute of Surveyors and Valuers on 8 September 2014.

## October 2014

- Launched a weekly consumer education print advertisement campaign in four languages to raise public awareness of the important considerations when engaging a salesperson for property transactions.
- Conducted a joint outreach session with the Commercial Affairs Department on 10 October 2014 to brief Key Executive Officers of estate agents on the topic of anti-money laundering and countering the financing of terrorism.
- Hosted the visit of the Hong Kong Real Estate Services Training Board on 15 October 2014.
- Appointed the Examination & Professional Development Committee, Licensing & Practice Committee, and Disciplinary Panel for a new two-year term.
- Updated the CPD training roadmap to include new topics on the Practice Guidelines on conduct between salespersons and Practice Guidelines on marketing of foreign properties.
- Launched a free pilot e-learning web application on ethical advertising on 29 October 2014.
- Formed a workgroup to encourage the use of exclusive agency agreements by consumers.



Industry outreach session on anti-money laundering and countering-terrorism financing



CEA hosted the visit of the Hong Kong Real Estate Services Training Board

## January 2015

- Introduced e-learning for two Continuing Professional Development topics - "Professional Service Manual" and "Practice Guidelines on Conduct between Salespersons".
- Revised the syllabus of the Real Estate Agency examination with emphasis on practical knowledge to ensure its relevance to the real estate agency industry.
- Revised frequency of examinations - the Real Estate Salesperson examination conducted once in three months while the Real Estate Agency examination held once in four months.

## February 2015

- Issued revised Practice Circular on prevention of money laundering and countering the financing of terrorism.

## March 2015

- Published an online consumer guide on dispute resolution to raise awareness of the CEA Dispute Resolution Scheme.
- Participated in Walk with CASE on 15 March 2015 to raise consumer awareness of their rights and the responsibilities of real estate salespersons in property transactions.



CEA reached out to participants at Walk with CASE



CPD course conducted by RIA School of Real Estate (Photo: RIA School of Real Estate)





**Always**  
Upholding



Effective regulatory framework

## Always Upholding

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.

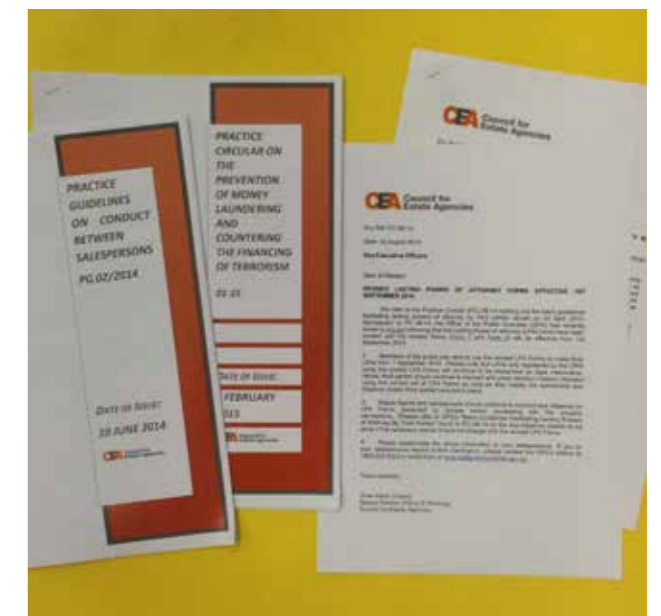
An inspection framework will be implemented to facilitate checks on estate agents' compliance with the AML/CFT procedures. Explanatory materials and a guide will also be developed to help salespersons understand and adopt the appropriate procedures and customer due diligence measures.

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.

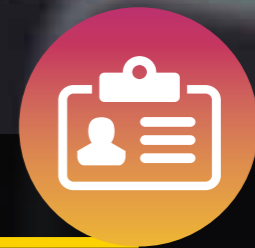
To ensure continuing relevance with developments in the industry, CEA will be reviewing previously issued practice guidelines on ethical advertising, professional service manual, option to purchase and sale & purchase agreements in FY2015.

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*



Professional competence  
and service excellence

**Always**  
Building



# Always Building

CEA is committed to building a community of industry practitioners who share a common vision for professional competence and service excellence. Through continuous improvements in training and development programmes, and promotion of industry best practices, CEA aims to raise the professional stature of the real estate agency industry in Singapore.

In FY2014, CEA reviewed the Continuing Professional Development Training Roadmap and Real Estate Agency examination syllabus to ensure continued relevance and to further professionalise the industry. Embracing an infocomm technology-driven approach to training, CEA launched an interactive e-learning web application on advertising guidelines. In addition, guidelines and circulars were issued to promote professional practices in estate agency work.

## HIGH ENTRY QUALIFICATIONS



The RES examination syllabus was revised in response to industry developments (Photo: NTUC Learning Hub Pte Ltd)

All real estate salespersons are required to pass the Real Estate Salesperson (RES) examination before they can apply for registration to carry out estate agency work in Singapore. Likewise, Key Executive Officers (KEOs), practising directors and partners are required to pass the Real Estate Agency (REA) examination. To prepare new

entrants for the examinations, RES and REA courses are conducted by CEA-approved course providers (ACPs). In FY2014, a total of 2,751 individuals completed the RES course and 72 individuals completed the REA course.

During the year, CEA conducted five RES examinations and four REA examinations. The RES examination conducted from May 2014 was based on an updated syllabus revised in FY2013. A total of 4,563 candidates sat for the RES examination and another 88 candidates took the REA examination. These examinations ensure that new entrants to the industry have a competent understanding of industry regulations, policies and procedures.

To keep pace with ongoing industry changes and developments, the REA examination syllabus was revised in January 2015. This revised syllabus will take effect in July 2015. Similar to the revised RES examination syllabus, the revised REA examination syllabus provides clearer elaboration of the expectation of REA examination requirements. Learning outcomes and expectations of cognitive levels for each learning outcome were introduced to facilitate better appreciation by ACPs and REA examination candidates of the level of understanding required for each topic. With effect from July 2015, modular re-sitting for the REA examination will be allowed.



Continuing professional development is mandatory for the industry (Photo: Real Centre Network Pte Ltd)

As part of efforts to optimise the utilisation of resources for the conduct of examinations, the frequency of the RES and REA examinations was revised with effect from 1 January 2015. The RES examination was conducted once every three months while the REA examination was conducted once every four months.

## CONTINUOUS LEARNING

Continuing professional development plays a critical role in engendering and upholding high professional standards for estate agents and salespersons. The Continuing Professional Development (CPD) Training Roadmap, launched in October 2013, continues to be a definitive framework to guide industry practitioners in building capability and professionalism in a progressive and structured manner.

The Roadmap was updated in October 2014 to include new topics on the Practice Guidelines on Conduct between Salespersons and Practice Guidelines on Marketing of Foreign Properties. Topics related to the Personal Data Protection Act were also included. The CPD topics strongly recommended for salespersons were Practice Guidelines on Conduct between Salespersons and the Professional Service Manual (PSM), while the focus for KEOs was on the Code of Practice for Estate Agents.

In FY2014, CEA approved a total of 213 core CPD courses, of which 116 were new. The new courses ensured that salespersons were updated on the latest developments in

the industry. These included "Real Estate Skills - Law & Practice of Agency" conducted by The Law Society of Singapore in February 2015 and a four-day seminar on "Integrated Land Use Planning" conducted by the Urban Redevelopment Authority from 7 to 10 April 2015.

In October 2014, CEA conducted a joint outreach-cum-briefing session for KEOs in partnership with the Commercial Affairs Division, to enhance industry awareness of anti-money laundering/countering the financing of terrorism (AML/CFT) issues. The session was a core CPD activity. In addition to a briefing on CEA's Practice Circular on the Prevention of Money Laundering and Financing of Terrorism, attendees were also reminded to undertake customer due diligence measures to mitigate the risk of money laundering or terrorism financing activities in property transactions. A total of 150 KEOs attended the event.



CEA-CAD joint industry outreach session on anti-money laundering and countering of financing of terrorism



In addition to working with core CPD activity providers to provide quality courses for the industry, CEA also recognises the efforts made by KEOs and salespersons who take up and complete relevant courses which will help them in their estate agency work or enhance their knowledge. Some of the courses attended by salespersons and accorded core CPD credit hours were the Specialist Diploma in Facility & Energy Management conducted by the Building & Construction Authority, the Graduate Certificate in Real Estate Finance conducted by the National University of Singapore and Mediation: Strategic Conflict Management for Professionals Modules 1 and 2 conducted by the Singapore Mediation Centre.



Pilot e-learning web application on advertising guidelines

To facilitate learning on the move, CEA piloted an e-learning web application on the Practice Guidelines on Ethical Advertising in October 2014. Hosted on the CEA website, the application enables industry practitioners to gain a better understanding of the advertising guidelines via an interactive web interface. The application is also useful for consumers seeking to understand allowable practices for salespersons advertising properties for sale or rental.

The e-learning web application features 12 chapters of scenario-based comic strips that illustrate ethical advertising in different areas, such as on the description and correct use of property, claims in advertisements, seeking owner's consent and on different methods of advertising. The comic strips are accompanied by an audio narration which brings the characters to life and explains the guidelines in a lively and engaging manner. At the end of each chapter, users

are able to take an interactive quiz to assess and reinforce their understanding of the topic.

After the pilot, CEA introduced e-learning for two core topics under the CPD Training Roadmap - "Professional Service Manual" and "Practice Guidelines on Conduct between Salespersons". This is to encourage training providers to develop e-learning courses to enable KEOs and salespersons to learn at their own pace and place as users can access the web-based modules via computers and mobile devices.

Similar to classroom-based courses, CPD credit hours will be awarded for completion of the e-learning courses. As an added functionality, users can also choose to go through the e-learning course modules more than once and take an interactive quiz at the end of each module to reinforce their understanding of the topic. Courses are being developed by CPD training providers in collaboration with e-learning vendors and will be made available by the fourth quarter of 2015.

## BUSINESS EXCELLENCE

In October 2014, CEA formed a working group to encourage the use of exclusive estate agency agreements by consumers. The working group, consisting of members from estate agents, industry associations and the Consumers Association of Singapore, will deliberate on measures to encourage greater adoption of exclusive agreements so as to minimise duplication of efforts in the conduct of estate agency work and to enhance industry productivity.



Online best practices depository for estate agents



CEA Executive Director Chioh Chye Khye chairs the quarterly dialogue session with industry associations

A Best Practices Depository was also established on the CEA website to serve as a resource for estate agents to adopt best practices and raise the professionalism of the real estate agency industry. The depository is a collation of the best practices that CEA had observed from visits to several estate agents over the course of two years.

## ACTIVE INDUSTRY ENGAGEMENT

CEA regularly engages the industry through various platforms including dialogues, briefings, group discussions and work groups. This enables CEA to have better sensing of the needs and challenges of the industry in response to regulatory, governance and procedural changes. In FY2014, CEA organised a total of 10 dialogue sessions with KEOs to gather feedback and discuss initiatives, policies and guidelines being developed for the industry. Five focus group discussions with salespersons were also organised to gain a better understanding of ground issues and facilitate exchange of ideas on various issues and initiatives such as CPD courses, the licence renewal process, remuneration structures and the creation of a commendation scheme for salespersons.

CEA also held three dialogue sessions with the industry associations, namely the Institute of Estate Agents, SAEA Ltd and the Singapore Institute of Surveyors and Valuers (SISV). These dialogue sessions provide an additional channel for CEA to engage and work closely with the



Salespersons engaged in a focus group discussion

associations on initiatives to raise professionalism and address issues faced by the industry.

In the year ahead, CEA will work with the industry associations to introduce certificate CPD courses for salespersons handling commercial, industrial and foreign property transactions. These courses will help to equip salespersons with the requisite knowledge to carry out estate agency work in these niche areas.

CEA will also intensify its focus on promulgating industry-wide compliance and adoption of the AML/CFT requirements and the obligation to lodge suspicious transaction reports through regular engagement with KEOs and salespersons.



real estate  
responsibilities



IS  
d s  
pr

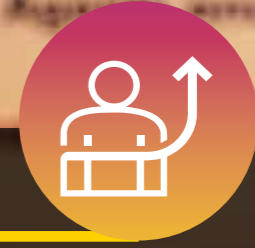
sional adv  
n negotiati  
d proposa  
nter into a b  
plain to you a  
or consent bef  
ny conflicts o  
al fees

**CEA** Council for Estate Agencies

Engage in CEA Registered  
Self-Inspection



Check CEA Public Register of  
Estate Agents and Self-Inspection



# Always Connecting

Active consumer engagement



# Always Connecting

Staying connected with the consumer is essential to developing a regulatory framework that adequately safeguards consumer interest in a property transaction. CEA leverages multiple communication channels and outreach platforms to promote consumer engagement, which facilitates effective delivery of public education as well as the inflow of feedback to enrich the process of policy formation.

In FY2014, CEA strengthened its existing partnerships and established new collaborations to create greater opportunities for consumer engagement. These included outreach events, communications platforms and educational resources to enable consumers to access essential information and make informed decisions in property transactions.

## OUTREACH COLLABORATIONS

As part of efforts to reach out to seniors, CEA participated in the U Live Symposium 2014 for the first time. Held on 16 August 2014 at the Devan Nair Institute for Employment & Employability, the annual symposium was targeted at senior workers and retirees aged 55 years and above. As some of them may have plans to purchase, sell or rent out their property when they reach retirement age, it would be useful to equip them with the necessary knowledge to make informed decisions in property transactions. Initiated by the National Trade Union Congress, the U Live community promotes active ageing and healthy living among its members through a wide variety of activities and interest groups.

The CEA booth attracted some 350 visitors who picked up consumer tips on engaging salespersons through a simple quiz and received specially designed souvenirs bearing key messages. A talk was also conducted for visitors who were interested to gain a deeper understanding of their roles as consumers and the responsibilities of salespersons.

As an extension of the learning event, a U Live seminar was held on 27 September 2014 where CEA shared with participants tips on engaging a salesperson in property transactions and buying foreign properties.

Given the number of foreign properties marketed in Singapore, CEA collaborated with a new partner, STProperty to raise consumer awareness of the need for due diligence



U Live Symposium participants picking up consumer tips at the CEA booth

before investing in foreign properties. At each of the quarterly STProperty seminar & expo, CEA distributed its consumer guide on buying foreign properties to the participants and visitors. The guide alerts consumers to the risks and important considerations when buying foreign properties. Come April 2015, CEA will also have a greater presence at the event by setting up an exhibition booth with education posters to engage consumers.



CEA reaching out to consumers at Walk with CASE

With a common objective of safeguarding consumer interests, the Consumers Association of Singapore (CASE) is one of the strategic partners of CEA in consumer education. CEA collaborated with CASE on two projects in the year. On 15 March 2015, CEA participated in *Walk with CASE*, a walk cum mini-carnival organised by CASE to promote protection of consumer rights. Held at the F1 Pit Building, the event attracted 2,000 participants comprising families and senior citizens.



A CEA staff speaking at the HDB Heartland talk (Photo: HDB)

The last of the CEA-CASE Get It Right! consumer seminars was held on 24 May 2014. More than 100 participants attended the half-day seminar and learnt about the key considerations in buying new developments, leasing private residential properties, and potential pitfalls in property transactions.

The quarterly series was started in August 2013 to educate consumers on the key requirements and considerations in

property transactions. The series was organised in collaboration with the industry associations – Institute of Estate Agents, SAEA Ltd and Singapore Institute of Surveyors & Valuers.

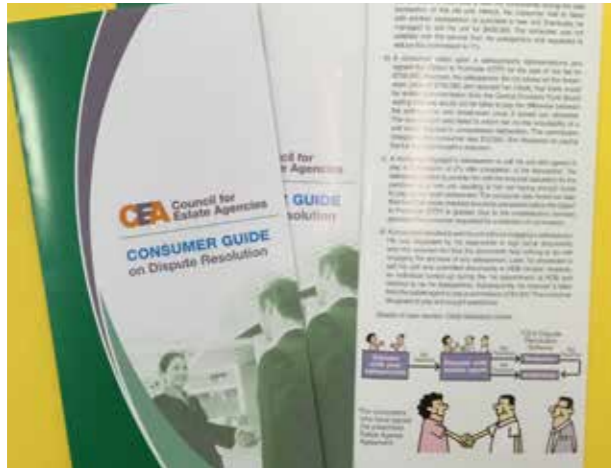
CEA continued to strengthen its collaboration with government agencies such as the Housing Development Board (HDB) and the Central Provident Fund Board (CPF). In FY2014, CEA participated in 20 consumer education seminars and reached out to about 1,800 consumers.

CEA fielded speakers at 16 HDB resale seminars and one HDB heartland talk on the subletting of HDB flats/rooms. The seminars were conducted in both English and Mandarin and sought to educate home buyers and owners on the responsibilities of salespersons in property transactions. CEA officers also spoke at three CPF public education seminars targeted at consumers buying their next home.

## ACCESSIBLE EDUCATIONAL RESOURCES

Since its inception, CEA has built a growing library of materials and tools to equip consumers with essential information for making informed decisions in property transactions. In line with this effort, CEA launched a new consumer guide on dispute resolution in March 2015 to raise awareness of and encourage consumers to use mediation and/or arbitration to resolve contractual disputes. The online guide introduces consumers to the CEA Dispute Resolution Scheme and provides pertinent pointers on the process of dispute resolution.





Free guide introduces consumers to the CEA Dispute Resolution Scheme



CEA collaborated with Chinese radio station Capital 958FM to engage listeners



CEA-CASE Get It Right! consumer seminar organised in collaboration with industry associations

The online guide “Consumer Tips for Buying Foreign Properties”, first released in March 2014, was printed in hard copies in December 2014. They were displayed at the customer service counter for pick up by the public and distributed at various outreach events to consumers who were interested in buying foreign properties.

CEAenergy, the bimonthly e-newsletter continued to bring the latest news and updates to stakeholders and partners. These included initiatives for industry development and consumer education, positive stories of industry practitioners who have demonstrated professionalism in servicing their clients, as well as outcomes of enforcement actions.

The corporate website serves as an online gateway to e-services and all relevant resources related to CEA and the real estate agency industry. As CEA enters into the fifth year of operations, it is timely to revamp the website to give it a fresh look and improve overall user experience. Web design and development work began in November 2014 and is expected to be completed in early 2016. As part of the revamp, a new complaint management module will be added to facilitate online submission of consumer complaints. A new microsite dedicated to Continuing Professional Development requirements and courses will also be developed to serve the professional training needs of the industry.

## MEDIA AND PARTNER ENGAGEMENT

CEA works closely with the media and partner agencies to help raise its corporate profile and to reach out to consumers through advisories and educational messages.

To engage the Mandarin-speaking community, CEA worked with MediaCorp's news and information radio station, Capital 95.8FM, on a two-part consumer education series. Presented in a talk-show format on 26 June and 10 July 2014, the series provided listeners key tips on engaging salespersons, the professional service standards and responsibilities required of salespersons, and how to resolve contractual disputes with estate agents.

Media announcements were also issued to raise public awareness of CEA's initiatives for the industry as well as outcomes of enforcement actions. On 29 October 2014, an announcement was made on the launch of the pilot e-learning web application on ethical advertising. A press release was issued on 21 May 2014 for CEA's first prosecution case related to unlicensed estate agency work for the sale of foreign properties. On 15 September 2014, an announcement was made on the conviction of an individual for unlicensed estate agency work.

To promote awareness of the important things to note when engaging a salesperson for property transactions, CEA launched a print advertisement campaign from October to November 2014. A series of consumer education advertisements was launched in the four major newspapers – The Straits Times, Lianhe Zaobao, Berita Harian and Tamil Murasu. The weekly advertisements featured comic strips and illustrations to help communicate key messages to the public in an appealing and accessible way.

Consumer education advertorials were also inserted in publications with large circulation and targeted at readers who may engage in property transactions. These included lifestyle magazines such as NSMan, M Lifestyle, Prime and newsletters of the Community Development Councils.

CEA leveraged its partners' communication platforms to disseminate educational messages to a wider community. In June 2014, CEA contributed an article “Buying Foreign Property: Key considerations” to the government website, eCitizen. Articles titled “Buying Foreign Properties” and “Engaging salespersons: Get It Right!” were published in The Consumer, a publication of CASE. Challenge, a magazine for public sector employees, ran an article “7 Ways to Tell if Your Real Estate Salesperson is for Real” that offered quick tips on what to look out for when engaging salespersons. An article “A No-No for Dual Representation” was published on MyNiceHome.sg, an HDB website for first-time home owners and buyers.

The outreach and publicity generated from these initiatives contributed to increasing consumer awareness of salespersons' responsibilities and their roles in property transactions. They also helped to raise the profile of CEA and communicate the role of CEA to a wider audience.

In the year ahead, CEA will continue to seek new avenues to raise consumer awareness and expand its range of educational guides on various topics. A second Public Perception Survey will be conducted in FY2015 to assess changes in the perceptions and expectations of consumers since the baseline survey conducted in 2012. CEA will also explore more opportunities to collaborate with more partners to widen its outreach efforts.



Comic-illustrated ads in four languages help communicate key messages to different communities





***Always***  
Investing



Dynamic team CEA



# Always Investing

CEA invests in staff to provide diverse personal and professional career growth opportunities for them. By promoting an environment that encourages continuous learning and improvement, CEA seeks to empower its people to pursue excellence and contribute effectively to developing the real estate agency industry in Singapore.

CEA adopts a holistic approach towards staff development to build a dynamic and highly motivated workforce that contributes meaningfully at work and in society. In FY2014, CEA continued to place emphasis on professional development and employee engagement in its journey towards organisational excellence.

## HUMAN RESOURCE AND STAFF COMPETENCY

CEA is committed to ensuring high standards of professionalism and employee engagement within the organisation. Professional development of staff was achieved through courses, training and participation in research and study projects. A Code of Conduct for CEA officers was established to clearly spell out expectations of standards of work and personal conduct for public servants. Staff had opportunities to interact with senior management through feedback sessions organised in the year.

CEA gives due recognition and provides opportunity to deserving staff to upgrade themselves. In FY2014, a part-time Master degree sponsorship programme that allows staff to pursue post-graduate studies in local universities was implemented. Staff can choose to study in fields that are relevant to the work done by the Council. Audrey Heng, a legal counsel with CEA, was the first recipient of the sponsorship. She will be pursuing a Master of Science in Real Estate at the National University of Singapore.

In FY2014, Principal Manager (Public Outreach) Chia I-Ling was awarded the Ministry of National Development's EDGE (Executive Development and Growth Exchange) Scholarship to pursue a Master in Public Administration at the Lee Kuan

Yew School of Public Policy. I-Ling is the second officer to receive this prestigious award.

CEA continued to make strides towards building corporate competencies in finance, information technology and human resource management so as to be less dependent on HDB which provided support in these areas during CEA's formative years.



CEA staff, Susimarina Binte Rosli receiving the PS21 Star Service Award from the Head of Civil Service, Peter Ong (Photo: NLB)



The 2014 Minister's Award winning team with the Minister for National Development, Khaw Boon Wan (Photo: URA)

To further strengthen in-house information technology expertise, two Information Technology Officers were seconded from the Infocomm Development Authority of Singapore to provide professional services. Recruitment for human resource staff also started towards the end of FY2014 and will continue in FY2015 to build up capability in the corporate human resource function.



CEA staff, Chia I-Ling receiving the MND EDGE scholarship from the Minister for National Development, Khaw Boon Wan (Photo: MND)

## QUALITY AND EXCELLENCE AWARDS

On 23 May 2014, Licensing Officer Susimarina Binte Rosli was conferred the PS21 Star Service Award at the Excellence in Public Service Awards Ceremony 2014. The award

recognises public officers and members of the public who have contributed to better service delivery and outcomes for Singapore.

Susimarina has been with CEA for almost four years. Her daily responsibilities include serving walk-in customers and attending to enquiries at the call centre. Susimarina was recognised for her dedication and empathy in serving customers and her ability to maintain professionalism at all times – qualities which clearly exemplify the spirit of public service.

On 6 March 2015, two Customer Service Officers, Noryana Binte Yahya and Claire Shen received the 2014 Excellent Service Award - Silver (EXSA) for delivery of quality service. Managed by the Public Service Division and supported by SPRING Singapore, the award aims to develop service models for staff to emulate and create service champions.

CEA received the Minister's Award (Team) 2014 for its initiative on "Effective Approach for Successful Prosecution of CEA Cases". Adopting a team-based approach, CEA's Legal and Investigation divisions developed an end-to-end process for more timely and effective management of the prosecution of cases. The initiative brought about a successful prosecution and disciplinary action framework that resulted in a reduction in the number of complaints against salespersons. It has also improved the complaint management process and raised awareness of CEA's role as a regulator in shaping a more disciplined and ethical industry.



Through CEA's successful prosecutions and disciplinary actions, estate agents and salespersons are now more effectively regulated and disciplined in their conduct of estate agency work.

### WORKPLACE EXCELLENCE

In FY2014, internal audits were carried out in the areas of Inspection & Enforcement and Training & Examination. CEA also appointed a new external auditor for the FY2014 financial audit of accounts. In line with public service compliance requirements, rules on casino visits, mandatory block leave and mandatory job rotation were implemented. A revision of the Internal Disclosure Channel policy was also made to include an option for staff to make disclosures to CEA's Audit Committee.

CEA completed a successful transition from the Standard-Operating-Environment (SOE) to Whole-of-Government Infocomm Technology (ICT) infrastructure in FY2014. It also completed a migration from the Service-Wide Hosting Environment (SHINE) platform to the new G-cloud platform, the private cloud infrastructure supporting the Singapore

government's IT requirements. Overall information technology resiliency was also strengthened through subscriptions to Web Defacement Monitoring and Distributed Denial of Service Mitigation services.

### STAFF COHESIVENESS

During the year, various social, recreational and community activities were organised to promote staff interaction and bonding. To support CEA's Healthy Lifestyle programme, CEA leveraged the Workplace Health Promotion Grant to conduct health talks on ergonomics and weight management, as well as sports activities such as bowling and futsal. CEA also actively encourages its staff to participate in community building through corporate social responsibility initiatives. In support of the visually impaired, staff experienced "Dining in the Dark" held at the Singapore Association of the Visually Handicapped. During the Community Chest Care & Share Donation Drive, staff generously contributed a total amount of \$2,495. This was presented in the form of a cheque to the Community Chest at the first CEA Staff Cohesion Night on 12 December 2014.



Learning and sharing across divisions help build team spirit among staff

### ENGAGED OVERSEAS COUNTERPARTS

The Chairman of the Hong Kong Real Estate Services Training Board (RETB) Ir. Kwong Ching-wai, Alkin, JP and a 6-member delegation visited CEA on 15 October 2014. RETB is responsible for determining the manpower situation and training needs of the real estate industry in Hong Kong and comprises members from relevant professional institutions, trade associations, education and training organisations, as well as government bodies such as the Hong Kong Estate Agents Authority.

Hosted by CEA Executive Director Chionh Chye Khye, the delegates were briefed on Singapore's enhanced regulatory regime for estate agents and salespersons, the operations framework of CEA and ongoing efforts related to consumer education and raising industry professionalism. CEA and RETB had a fruitful exchange of ideas on various areas including the licensing system, continuing professional development framework and the training of salespersons.

In line with its corporate objective of excellence in public service, CEA continues to invest in the strengthening of staff competency in specialised areas such as procurement and finance, to ensure good stewardship of the usage of public sector funds.

In FY2015, CEA plans to enhance its corporate planning cycle through the incorporation of risk management assessments and action plans into the annual corporate planning process. CEA will also increase its adoption of information technology to improve work productivity through the setting up of digital storage facilities and data management systems.



Staff attending a health talk



CEA Executive Director, Chionh Chye Khye (left) with the Chairman, Hong Kong Real Estate Training Board, Ir. Kwong Ching-wai, Alkin, JP



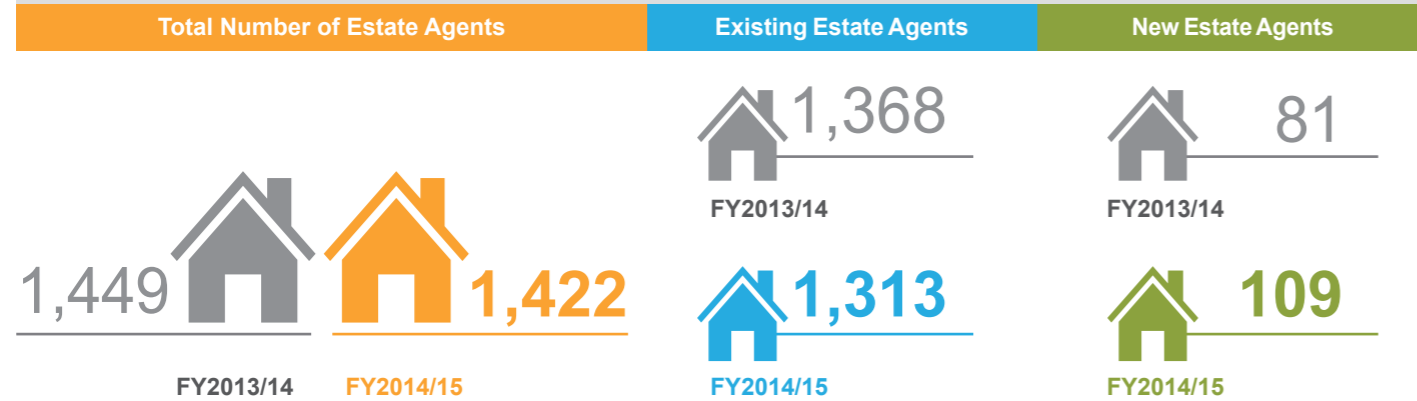
A cheque was prepared for presentation to the Community Chest at the Staff Cohesion Night

# Statistical Overview

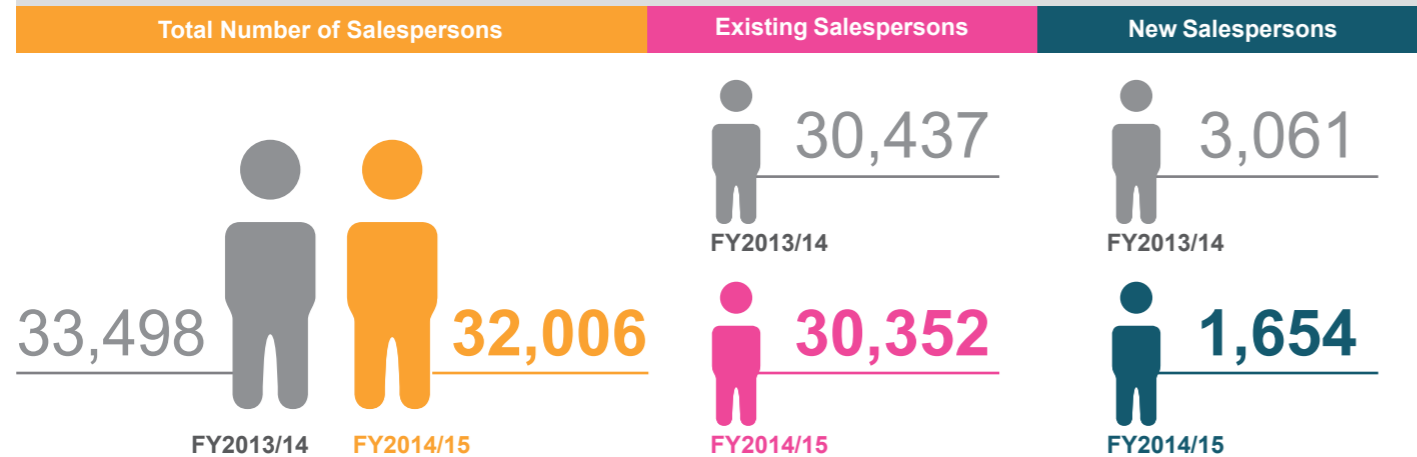
FY2014/15 (1 April 2014 to 31 March 2015)

## LICENSING & REGISTRATION

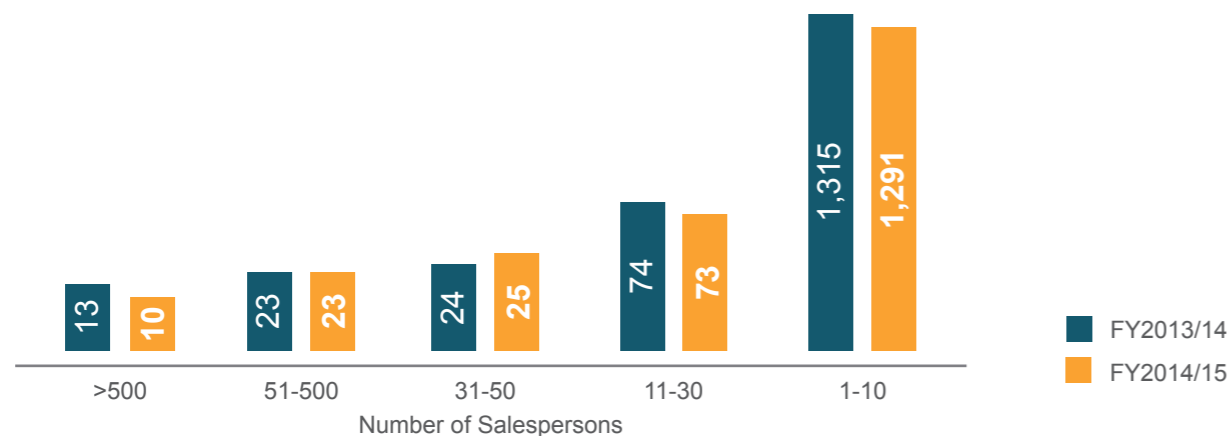
### Number of Licensed Estate Agents



### Number of Registered Salespersons

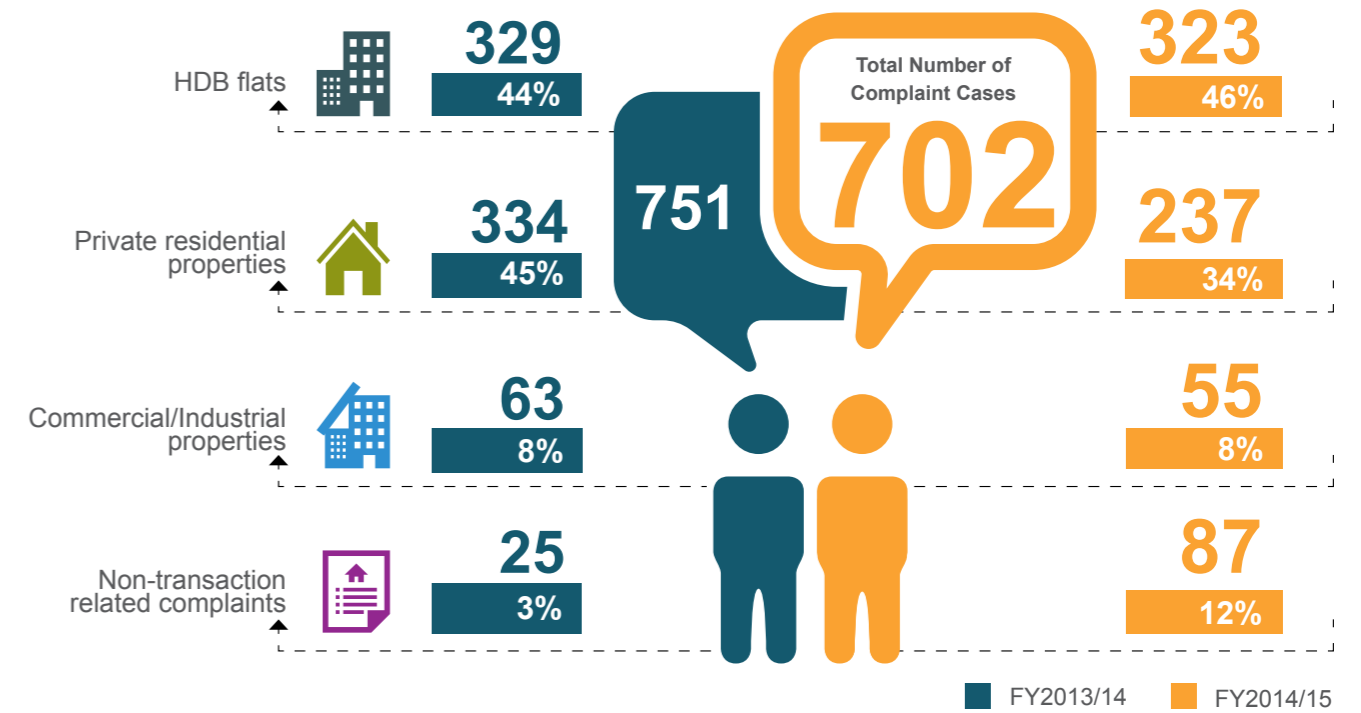


### Breakdown of Licensed Estate Agents by Size

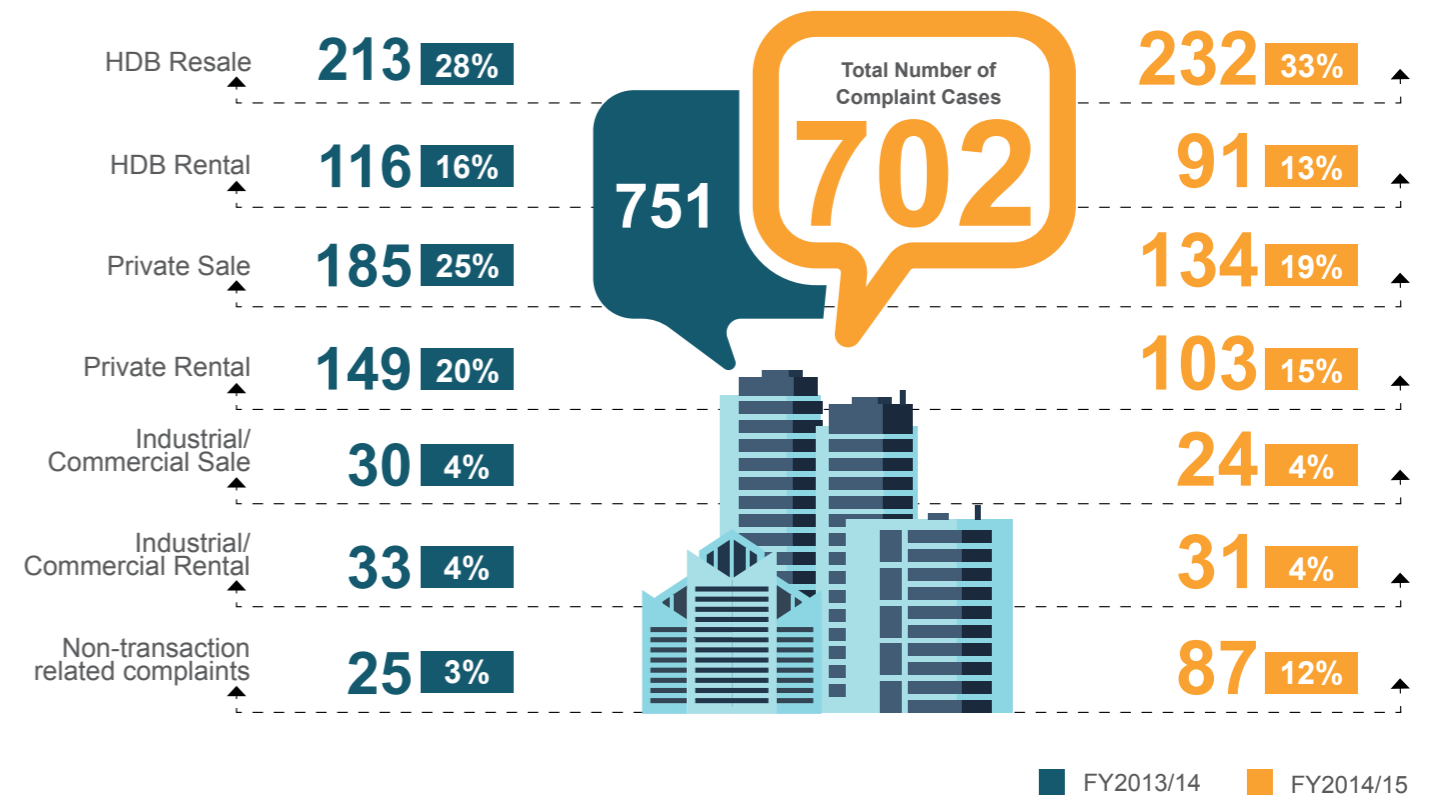


## COMPLAINT MANAGEMENT

### Breakdown by Property Type



### Breakdown by Transaction Type



# Statistical Overview

FY2014/15 (1 April 2014 to 31 March 2015)

## COMPLAINT MANAGEMENT

### Nature of Complaints

Nature of Complaints	Number of Complaints	
	FY2013/14	FY2014/15
<b>Advertisement/flyer</b> (e.g. misleading/missing information/improper distribution of flyers)	318 (42%)	<b>305 (43%)</b>
<b>Unprofessional/poor service</b> (e.g. wrong advice/not punctual/not following proper procedures)	183 (24%)	<b>161 (23%)</b>
<b>Misconduct</b> (e.g. use of threatening words/harassment/misrepresentation)	129 (17%)	<b>121 (17%)</b>
<b>Not acting in client's interest</b> (e.g. conflict of interest/refusing to co-broke/failing to convey offer)	33 (4%)	<b>33 (5%)</b>
<b>Unregistered salesperson/unlicensed estate agent</b>	36 (5%)	<b>46 (7%)</b>
<b>Dual representation</b>	6 (1%)	<b>4 (&lt;1%)</b>
<b>Fraud</b>	1 (<1%)	<b>2 (&lt;1%)</b>
<b>Moneylending</b>	12 (2%)	<b>2 (&lt;1%)</b>
<b>Handling transaction monies</b>	15 (2%)	<b>12 (2%)</b>
<b>Others</b> (e.g. recruitments/seminars)	18 (2%)	<b>16 (2%)</b>
<b>Total</b>	<b>751</b>	<b>702</b>

## COMPLAINT MANAGEMENT

### Categories of Concluded Complaints

Categories	Investigation Outcome	Number of Complaints	
		FY2013/14	FY2014/15
Resolved by estate agents	Complaints resolved by estate agents	23	<b>13</b>
Substantiated	Letter of Advice/Warning served on salespersons and estate agents	363	<b>166</b>
	Letter of Advice issued on salespersons by estate agents for less serious advertisement complaints	127	<b>127</b>
	Disciplinary action	15	<b>18</b>
	Prosecution	5	<b>20</b>
Unsubstantiated	Insufficient evidence to substantiate claim	92	<b>72</b>
	Assessed by CEA that there was no wrongdoing by the salesperson	119	<b>95</b>
	Baseless/frivolous complaints	4	<b>0</b>
Referred to other bodies/ Government agencies	Small Claims Tribunals	0	<b>0</b>
	Police (for investigation)	9	<b>8</b>
No further action	After investigation, established that the cases were not under CEA's purview (e.g. landlord and tenant issues)	66	<b>81</b>
<b>Total</b>		<b>823</b>	<b>600</b>



# Statistical Overview

FY2014/15 (1 April 2014 to 31 March 2015)

## COMPLAINT MANAGEMENT AND COMPLIANCE CHECKS

### Number of Proactive Checks & Compliance Activities

Type	FY2013/14	FY2014/15
Advertisement, media & internet scan	77	56
Field surveillance (e.g. at seminars, property exhibitions, property launches)	36	29
Inspections on estate agents	22	22

### Actions Taken (Inclusive of Complaint Cases and Compliance Checks)

Actions Taken	Number of Cases	
	FY2013/14	FY2014/15
Letter of Advice (LOA)/Warning (LOW)	644 LOAs/LOWs issued to estate agents/salespersons (arising from 458 cases)	224 LOAs/LOWs issued to estate agents/salespersons (arising from 191 cases)
Court prosecution	19 cases filed	12 cases filed
	13 cases concluded	17 cases concluded
Disciplinary action	17 cases filed	18 cases filed
	7 cases concluded	20 cases concluded
Composition Fines	32 notices issued	15 notices issued
	28 notices compounded	12 notices compounded

## Dispute Resolution: Mediation and Arbitration Cases

In FY2014, 17 cases have gone to mediation under the Dispute Resolution Scheme.

Approved Mediation Centres	FY2013/14	FY2014/15
Consumers Association of Singapore	12	13
Singapore Institute of Surveyors & Valuers	5	2
Singapore Mediation Centre	1	2

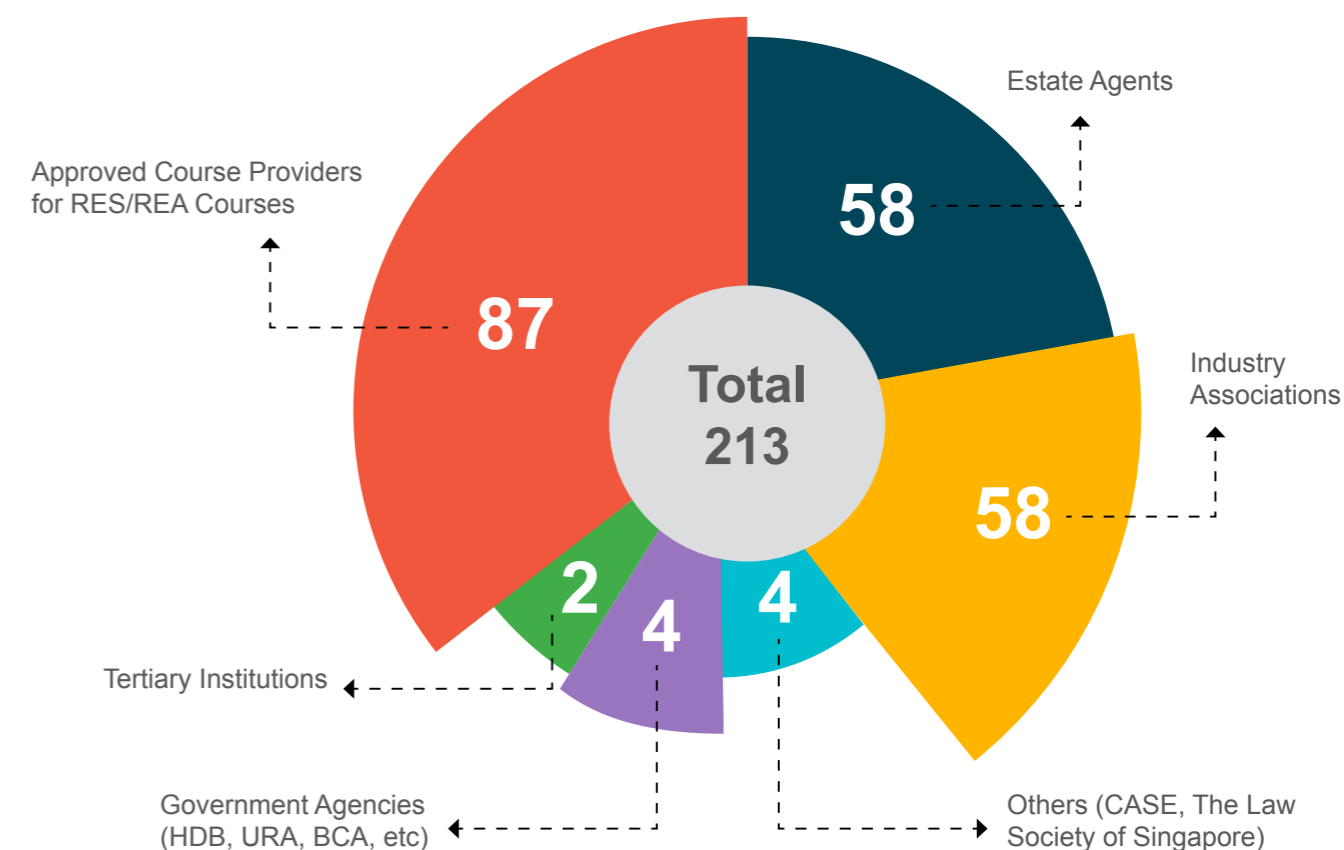
Approved Arbitration Centres	FY2013/14	FY2014/15
Singapore Institute of Arbitrators	0	0
Singapore Institute of Surveyors & Valuers	0	0

## INDUSTRY DEVELOPMENT

### Number of Industry Engagement Activities

Platforms	Number of Activities	
	FY2013/14	FY2014/15
KEO briefings	12	10
Salespersons focus group discussions	2	5
Industry association dialogues	1	3

### Number of Core CPD Courses Approved by CEA



# Financial Statements

For the financial year ended 31 March 2015

49	Statement by the Council
50	Independent Auditor's Report
52	Statement of Financial Position
53	Statement of Comprehensive Income
54	Statement of Changes in Equity
55	Statement of Cash Flows
56	Notes to the Financial Statements

## Statement By The Council

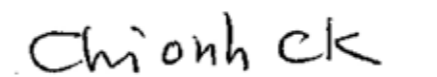
For the financial year ended 31 March 2015

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 year ended 31 March 2015 and the results and changes in equity of the Council and cash flows of the Council for the financial year then ended.

On behalf of the Council:



Greg Seow  
President



Chionh Chye Khye  
Executive Director

Singapore

17 June 2015



## Independent Auditor's Report To The Members Of The Council For Estate Agencies

(Established under the Estate Agents Act, Chapter 95A)  
For the financial year ended 31 March 2015

### 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 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended, 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 the 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 2015, and the results, changes in equity and cash flows of the Council for the year ended on that date.

## Independent Auditor's Report To The Members Of The Council For Estate Agencies

(Established under the Estate Agents Act, Chapter 95A)  
For the financial year ended 31 March 2015

### Report on Other Legal and Regulatory Requirements

#### *Management's Responsibility for Compliance with Legal and Regulatory Requirements*

Management is responsible for ensuring that 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 as 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, and investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

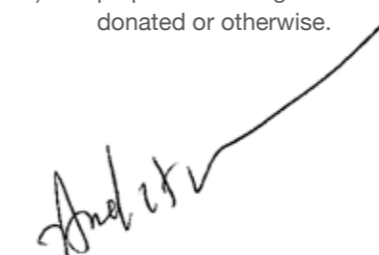
Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statement from non-compliance, if any, but not for 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 financial year 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.



**Audit Alliance LLP**

Public Accountants and Chartered Accountants

Singapore

17 June 2015

## Statement of Financial Position

As at 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS LESS LIABILITIES</b>			
<b>Non-current assets</b>			
Plant and equipment	4	141	211
Intangible assets	5	96	242
		<u>237</u>	<u>453</u>
<b>Current assets</b>			
Trade and other receivables	6	133	433
Prepayments		17	20
Government grant receivable	7	4,676	993
Cash and cash equivalents	8	5,306	8,089
		<u>10,132</u>	<u>9,535</u>
<b>Less:</b>			
<b>Current liabilities</b>			
Trade and other payables	9	2,568	1,869
Deferred revenue	10	5,879	6,172
		<u>8,447</u>	<u>8,041</u>
<b>Net current assets</b>		<u>1,685</u>	<u>1,494</u>
<b>Non-current liabilities</b>			
Deferred capital grant	11	62	87
Provision	12	141	141
		<u>203</u>	<u>228</u>
<b>Net assets</b>		<u>1,719</u>	<u>1,719</u>
<b>Equity</b>			
Share capital	13	1,719	1,719
<b>Total equity</b>		<u>1,719</u>	<u>1,719</u>

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

## Statement of Comprehensive Income

For the financial year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Revenue</b>	14	11,214	12,639
<b>Less: Expenditure</b>			
Real estate examinations related costs		819	1,565
Depreciation and amortisation	4, 5	301	394
Fees and charges		3,436	2,435
Rental of premises		1,065	1,059
Expenditure on manpower	15	9,714	8,334
Administrative and other expenses	16	1,625	1,047
<b>Total operating expenses</b>		<u>16,960</u>	<u>14,834</u>
Operating deficit before government grant		(5,746)	(2,195)
<b>Grants</b>			
Government grant	7, 11	5,746	2,195
Comprehensive income for the financial year before statutory contribution to Consolidated Fund		-	-
Statutory contribution to Consolidated Fund	18	-	-
<b>Total comprehensive income for the financial year</b>		<u>-</u>	<u>-</u>

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



## Statement of Changes in Equity

For the financial year ended 31 March 2015

	Note	Share capital \$'000	Reserve \$'000	Total \$'000
Balance as at 1 April 2013	13	1,719	-	1,719
Total comprehensive income for the financial year		-	-	-
Balance as at 31 March 2014 and 1 April 2014		1,719	-	1,719
Total comprehensive income for the financial year		-	-	-
<b>Balance as at 31 March 2015</b>		<b>1,719</b>	<b>-</b>	<b>1,719</b>

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

## Statement of Cash Flows

For the financial year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Operating deficit before government grant		(5,746)	(2,195)
Adjustments:			
Depreciation of plant and equipment	4	126	227
Amortisation of intangible assets	5	175	167
Interest income		(11)	(3)
Amortisation of deferred revenue		(8,760)	(9,199)
<b>Operating deficit before working capital changes</b>		<b>(14,216)</b>	<b>(11,003)</b>
Decrease in trade and other receivables		300	89
Decrease/(increase) in prepayments		3	(4)
Increase in trade and other payables		699	192
<b>Cash flows used in operations</b>		<b>(13,214)</b>	<b>(10,726)</b>
Deferred revenue received		8,467	9,267
Interest received		11	3
<b>Net cash flows used in operating activities</b>		<b>(4,736)</b>	<b>(1,456)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(56)	-
Purchase of intangible assets		(29)	(39)
<b>Net cash flows used in investing activities</b>		<b>(85)</b>	<b>(39)</b>
<b>Cash flows from financing activities</b>			
Government grants received		2,038	-
<b>Net cash flows from financing activities</b>		<b>2,038</b>	<b>-</b>
Net decrease in cash and cash equivalents		(2,783)	(1,495)
Cash and cash equivalents at the beginning of the financial year		8,089	9,584
<b>Cash and cash equivalents at end of the financial year</b>	8	<b>5,306</b>	<b>8,089</b>

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

# Notes to the Financial Statements

For the financial year ended 31 March 2015

## 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 ("SGD" or "\$") and rounded to the nearest thousand ("S'000"), unless otherwise stated.

### 2.2 Adoption of new and revised standards

In the current financial year, the Council has adopted all the new and revised standards and interpretation of SB-FRS ("INT SB-FRS") that are effective for annual periods beginning on or after 1 April 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Council.

# Notes to the Financial Statements

For the financial year ended 31 March 2015

## 2. Summary of significant accounting policies (continued)

### 2.3 Standard issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendment to SB-FRS 16 <i>Property, Plant and Equipment</i>	1 July 2014
Amendment to SB-FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Amendment to SB-FRS 38 <i>Intangible Assets</i>	1 July 2014
Amendment to SB-FRS 113 <i>Fair Value Measurement</i>	1 July 2014
Amendments to SB-FRS 16 and SB-FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016

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

### 2.4 Functional currency

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

### 2.5 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.



For the financial year ended 31 March 2015

**2. Summary of significant accounting policies (continued)****2.5 Plant and equipment (continued)**

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

**2.6 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.

**2.7 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 values.

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 income or expenditure (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.

For the financial year ended 31 March 2015

**2. Summary of significant accounting policies (continued)****2.8 Financial assets*****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 income and expenditure when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are derecognised 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.

***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 delays in payments.

**2.9 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.

**2.10 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 2. Summary of significant accounting policies (continued)

#### 2.11 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.

Grants received from the Ministry of National Development for capital expenditure are taken to the deferred capital grants account upon the utilisation of the grants for purchase of plant and equipment and intangible assets, which are capitalised, or to income or expenditure for purchase of plant and equipment and intangible assets which are written off in the year of purchase.

Deferred capital grants are recognised as income over the periods necessary to match the depreciation, amortisation, write-off and/or impairment loss of the plant and equipment and intangible assets purchased with the related grants. Upon the amortisation or disposal of plant and equipment and intangible assets, the balance of the related deferred capital grants is recognised as income to match the carrying amount of the plant and equipment and intangible assets disposed of.

#### 2.12 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 income or expenditure 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 expired.

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 set-off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.13 Employee benefits

##### (a) Defined contribution plan: Singapore Central Provident Fund ("CPF") Contributions

The contributions on the Council's employees' salaries are made to the CPF as required by law. The CPF contributions are recognised in the income or expenditure in the period when the employees rendered their services entitling them to the contributions.

The Council has no further payment obligations once the contributions have been paid.

##### (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

For the financial year ended 31 March 2015

### 2. Summary of significant accounting policies (continued)

#### 2.14 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 income or expenditure 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.

#### 2.15 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 refund 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.

#### 2.16 Share capital

Proceeds from equity financing received from the Minister of Finance (Note 13).

#### 2.17 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 statement of financial position.



## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 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 end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 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 and intangible assets

The cost of plant and equipment and intangible assets are depreciated on a straight-line basis over the plant and equipment and intangible assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment and intangible assets to be within 1 year 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 and intangible assets at the balance sheet date is disclosed in Notes 4 and 5 to the financial statements respectively.

### 4. Plant and equipment

	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
<b>Cost</b>				
At 1 April 2013, 31 March 2014 and 1 April 2014	147	135	1,120	1,402
Additions	-	31	25	56
Write-off	-	(2)	-	(2)
At 31 March 2015	<b>147</b>	<b>164</b>	<b>1,145</b>	<b>1,456</b>
<b>Accumulated depreciation</b>				
At 1 April 2013	35	54	875	964
Depreciation for the financial year	18	27	182	227
At 31 March 2014 and 1 April 2014	53	81	1,057	1,191
Depreciation for the financial year	19	39	68	126
Write-off	-	(2)	-	(2)
At 31 March 2015	<b>72</b>	<b>118</b>	<b>1,125</b>	<b>1,315</b>
<b>Net carrying amount</b>				
At 31 March 2015	<b>75</b>	<b>46</b>	<b>20</b>	<b>141</b>
At 31 March 2014	94	54	63	211

Included within the cost of renovation is a provision for premises reinstatement costs of \$141,000 (2014: \$141,000) (Note 12).

## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 5. Intangible assets

	Computer software \$'000
<b>Cost</b>	
At 1 April 2013	602
Additions	39
At 31 March 2014 and at 1 April 2014	641
Additions	29
At 31 March 2015	<b>670</b>
<b>Accumulated amortisation</b>	
At 1 April 2013	232
Amortisation for the financial year	167
At 31 March 2014 and at 1 April 2014	399
Amortisation for the financial year	175
At 31 March 2015	<b>574</b>
<b>Net carrying amount</b>	
At 31 March 2015	<b>96</b>
At 31 March 2014	242

### 6. Trade and other receivables

	2015 \$'000	2014 \$'000
Trade receivables	27	409
Other receivables	106	24
	<b>133</b>	<b>433</b>

#### Trade receivables

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

As at end of the reporting period, the Council has no trade receivable that is past due or impaired.

## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 7. Government grant receivable

	2015 \$'000	2014 \$'000
At beginning of the financial year	993	(1,176)
Grant received	(2,038)	-
Grant recognised in income and expenditure for the financial year (Note 2.11)	5,667	2,130
Transferred to deferred capital grant during the financial year (Note 11)	54	39
At end of the financial year	4,676	993

### 8. Cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash and bank balances	5,306	8,089

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

### 9. Trade and other payables

	2015 \$'000	2014 \$'000
Trade payables	693	148
Accrued expenses	1,619	1,328
Provision for unutilised leave	256	181
Security deposits	-	212
Total financial liabilities carried at amortised cost	2,568	1,869

#### *Trade payables*

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

## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 10. Deferred revenue

	2015 \$'000	2014 \$'000
Within 1 year	5,879	6,172

Deferred revenue related to annual licence and registration fees received upon registration or renewal of licence from estate agents and salespersons. The revenue is recognised in accordance with the revenue recognition policy of the Council (Note 2.15).

### 11. Deferred capital grant

	2015 \$'000	2014 \$'000
At beginning of the financial year	87	113
Transferred from government grant during the financial year (Note 7)	54	39
Grant recognised in income and expenditure for the financial year (Note 2.11)	(79)	(65)
At end of the financial year	62	87

### 12. Provision

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

	2015 \$'000	2014 \$'000
At beginning and end of the financial year	141	141

### 13. Share capital

The Council received proceeds from equity financing of \$1,718,729 from the Ministry of Finance in 2012. 1,718,729 ordinary shares issued were held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183) in its capacity as shareholder under the debt-equity framework for statutory boards.

### 14. Revenue

	2015 \$'000	2014 \$'000
Licence, registration and application fees	10,053	10,388
Examination fees and others	1,161	2,251
	11,214	12,639



## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 15. Expenditure on manpower

	2015 \$'000	2014 \$'000
<b>Key management personnel</b>		
Salaries and related costs	1,590	1,650
CPF contributions	45	42
	1,635	1,692
<b>Other than key management personnel</b>		
Salaries and related costs	7,257	5,947
CPF contributions	822	695
	8,079	6,642
	9,714	8,334

#### Key management personnel

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

### 16. Administrative and other expenses

Included in administrative and other expenses are:

	2015 \$'000	2014 \$'000
Council members' fees	113	103
Goods and services tax expenses	807	624
Plant and equipment expensed off	60	19

### 17. 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 year, the Council rented premises, and procured administrative support services for human resources, information technology and finance from the Housing & Development Board. The total amounts for these transactions for the financial year are \$1,732,302 (2014: \$1,852,801).

## Notes to the Financial Statements

For the financial year ended 31 March 2015

### 17. Related party transactions (continued)

During the financial year, the Council also procured services amounting to \$585,550 (2014: \$420,550) 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.

### 18. 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 Finance Circular Minutes No M5/2005. The amount to be contributed is based on 17% of the net surplus of the Council.

### 19. Commitments

#### Operating lease commitments – as lessee

The Council has entered into lease agreements for its office premises and office equipment. 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 year are as follows:

	2015 \$'000	2014 \$'000
Not later than one year	1,210	890
Later than one year and not later than five years	821	833
	2,031	1,723

The leases on the Council's premises on which rentals are payable will expire on 31 May 2016.

### 20. 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.

# Notes to the Financial Statements

For the financial year ended 31 March 2015

## 20. Financial risk management objectives and policies (continued)

### Credit risk

As at the end of the reporting year, 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 statement 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 (excluding the provision for reinstatement costs of rented premises) are repayable on demand or due within 1 year from the end of the reporting period.

### Interest rate risk

At the end of the reporting period, 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 and 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.

### Classification of financial instruments

The carrying amount of total loans and receivables are as below:

	2015 \$'000	2014 \$'000
Trade and other receivables	133	433
Grant receivable	4,676	993
Cash and bank balances	5,306	8,089
Total loans and receivables	10,115	9,515

Financial liabilities carried at amortised cost are disclosed in Note 9 to the financial statements.

## 21. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2015 were authorised for issue by members of the Council on 17 June 2015.

## **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

[www.cea.gov.sg](http://www.cea.gov.sg)