

***PRACTICE
GUIDELINES
ON CONDUCT
BETWEEN
SALESPERSONS
PG 02/2014***

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CEA Council for
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Preamble

1. The Code of Ethics and Professional Client Care (CEPCC) prescribed by the Council for Estate Agencies (CEA) sets out the minimum standard of conduct required of estate agents and salespersons in their dealings with clients and the public while carrying out estate agency work. The Practice Guidelines on Professional Service Manual (PSM), which took effect on 1 Jan 2014, provide more details on the interpretation of the Code of Ethics and Professional Client Care to guide estate agents and salespersons in their practice.
2. Professional conduct should not only be confined to salesperson-client relationship, but also extend to how a salesperson interacts with other salespersons in the practice of the trade. CEA has received requests from the real estate agency industry to provide specific guidelines on salesperson to salesperson conduct.
3. This Practice Guidelines on Conduct between Salespersons is a product of consultation with and contributions from the industry. CEA would like to acknowledge the contributions of the Institute of Estate Agents (IEA), SAEA Ltd and Singapore Institute of Surveyors and Valuers (SISV), and the various Key Executive Officers in the preparation of these guidelines. The Guidelines does not claim to be exhaustive. It seeks to provide guidance on the conduct between salespersons so that the standard of conduct and ethical behaviour among practitioners in the industry can be raised.
4. The Practice Guidelines on Conduct between Salespersons are to be read with the Code of Ethics and Professional Client Care (CEPCC). Under paragraph 4(2)(a) of the CEPCC, estate agents and salespersons must be fully conversant and comply with the Estate Agents Act (Cap. 95A) (Act), the regulations made under the Act, and the policies, practice circulars and guidelines of the Council. Non-compliance of the guidelines may result in disciplinary action.

Executive Summary

The guiding principle for a salesperson's dealings with other salespersons is to do what is right and honourable every time and to avoid engaging in any behaviour or conduct which may bring disrepute to the real estate agency industry.

This Practice Guidelines on Conduct between Salespersons comprised of four main sections and seventeen sub-sections:

1. General duty of salespersons towards other salespersons

- 1.1. Treat one another ethically, honestly, fairly and reasonably
- 1.2. Avoid behaviour which bring disrepute to the real estate industry
- 1.3. Avoid making inappropriate statements/ remarks on other salespersons
- 1.4. Report misconduct or unsatisfactory conduct of other salespersons to CEA
- 1.5. Do not make false or unfounded complaints against other estate agents or salespersons
- 1.6. Resolve disputes amicably through estate agents or dispute resolution centres

2. Conduct to be observed in relation to exclusive listings

- 2.1. Do not solicit or accept appointment if client has already appointed another estate agent/ salesperson under an exclusive agency agreement
- 2.2. Do not influence clients to cancel exclusive agency agreements
- 2.3. Extend reasonable co-operation to incoming salesperson appointed by client
- 2.4. Deal with the client's salesperson and not directly with the client on matters concerning an exclusively listed property

3. Conduct to be observed in relation to co-broking (for both exclusive and non-exclusive listings)

- 3.1. Co-broke with other salespersons in a timely and co-operative manner
- 3.2. Disclose personal details (name, CEA registration number, estate agent and contact details) when seeking information from other estate agent or salesperson
- 3.3. Do not mislead, deceive or make any misrepresentation to other salespersons
- 3.4. Mutually agree on the terms and conditions and co-brokerage fee prior to entering into a property transaction
- 3.5. Work with the listing salesperson to close the transaction and not bypass or cut out the listing salesperson

4. Ethical standards required of estate agents' team leaders and members

- 4.1. Duty of team leaders to supervise team members
- 4.2. Duty to observe procedures assigned by team leaders during sales launches.

1. General duty of salespersons towards other salespersons

1.1. Treat one another ethically, honestly, fairly and reasonably

1.1.1. The conduct of salespersons when carrying out estate agency work is spelled out under paragraph 6(3) of the CEPCC which states:

“In the conduct of estate agency work on behalf of the client, the estate agent or salesperson must act ethically, honestly, fairly and in a reasonable manner towards all other persons”

1.1.2. Paragraph 7(1) of the CEPCC also states that:

“Estate Agents and salespersons shall not do anything that may bring discredit or disrepute to the estate agency trade or industry”

Thus real estate salespersons shall always act in accordance with the principles of ethics, honesty, fairness, due care and diligence in their interaction with other estate agents or salespersons and they must not engage in any practice which may bring discredit or affect the reputation of the real estate agency industry.

1.2. Avoid Behaviour which bring disrepute to real estate industry

1.2.1. Salespersons shall avoid behaviour or actions such as making disparaging remarks or getting into conflicts, quarrels or physical fights with other salespersons, particularly when in public or in the presence of their clients. Such conduct will be deemed as bringing disrepute or discredit to the industry.

Examples:

- a. Salesperson A and Salesperson B fought in a showflat over the assignment of clients.
- b. Salespersons C and D shouted and quarrelled in public over disagreement in distribution of flyers to consumers.
- c. Salesperson E sent offensive and threatening text messages to Salesperson F.
- d. At a public launch, Salesperson G allowed Salesperson H (who was representing another client) to cut queue and joined him in the queue to get a better chance of selecting a choice unit.

The behaviour of the above 7 salespersons (except salesperson F) have given the public a bad impression of the real estate agency industry, thereby bringing disrepute to the industry. Salespersons should always behave and conduct themselves in a professional manner towards other salespersons.

1.3. Avoid making inappropriate statements/ remarks on other salespersons

1.3.1. Salespersons should be sensitive to the diverse, multi-racial and multi-cultural nature of society and not make statements on other salespersons that are

discriminatory, offensive or stereotyped in nature against any particular race, religion or group in society. This includes not publishing and repeating such statements made by others about other salespersons in the mass/ social media.

1.3.2. Salesperson shall not make defamatory statements about other salespersons. They also shall not criticize or comment on the professional services, conduct of, or professional fees charged by fellow estate agents and salespersons. This includes not publishing and repeating such statements made by others about other salespersons in the mass/ social media.

Examples:

- a. Salesperson A badmouthed other salespersons in the internet.
- b. Salesperson B shared negative and defamatory comments made by Salesperson C on other salespersons on her Facebook page.
- c. Salesperson D commented to another client that Salesperson E charged high commissions.

Salesperson A, B, C and D should not have made or repeated offensive/ defamatory remarks on other salespersons. If they have reasonable grounds to suspect that another estate agent or salesperson has been guilty of unsatisfactory conduct or misconduct, they should report them, together with the evidence, to the CEA.

1.4. Report misconduct or unsatisfactory conduct of other salespersons to CEA

1.4.1. A salesperson who has reasonable grounds to suspect that another estate agent or salesperson has been guilty of unsatisfactory conduct or misconduct may make a report, together with the documentary and other evidence, to the CEA.

1.4.2. If an estate agent or salesperson learns that a person is committing an offence by undertaking estate agency work without a valid licence or registration, the estate agent or salesperson should immediately report the matter to the CEA, with the documentary evidence.

1.4.3. Salespersons shall not report or share any alleged misconduct of their fellow salespersons to the mass media or any social media. They shall report to their estate agent or to CEA so that the matter can be looked at without any unintended effect brought about by having the matter raised in the mass/social media.

Example:

Salesperson A wrote to the press to complain that Salesperson B had placed flyers on her car windscreen and damaged it. Upon investigations, it was later found that it was a developer staff who had placed the flyers on her windscreen. Salesperson A should have reported the matter to her estate agent or to CEA to look into the matter instead of complaining in the mass media.

1.5. Do not make false or unfounded complaints against other estate agents or salespersons

1.5.1. A salesperson shall not knowingly or recklessly file false or unfounded complaints against other estate agents or salespersons. They also shall not instigate or collaborate with other persons to file a complaint which they know to be false or baseless against other estate agents or salespersons. Under Section 64 of the Estate Agents Act, the filing of a false complaint may also be a criminal offence.

1.6. Resolve disputes amicably through estate agents or dispute resolution centres

1.6.1. In the event of dispute between salespersons from the same or different estate agents, the salespersons should put forth their concerns or feedback related to estate agency work, professional integrity, conduct or behaviour of other estate agent or salespersons to their estate agent or to the CEA.

1.6.2. The estate agent shall be the first point-of-contact for salespersons to raise their feedback or concern. If the issue is beyond the estate agent to resolve or of concern to the industry, it should then be raised to the CEA.

1.6.3. Estate agents and salespersons should use the available mediation centres to resolve disputes amicably which they could not resolve between themselves.

2. Conduct to be observed in relation to exclusive listings**2.1. Do not solicit or accept appointment if client has already appointed another estate agent/ salesperson under an exclusive agency agreement**

2.1.1. Before accepting an appointment to sell or lease a property for a client, a salesperson must take reasonable steps to find out whether the client has already appointed another estate agent/salesperson under an exclusive agency agreement.

2.1.2. If the client has already engaged another estate agent/salesperson on an exclusive basis, the salesperson shall not solicit or accept the appointment if the salesperson knows or ought to know that such an appointment of another estate agent/salesperson is in force. This is because the client may have to pay a commission to the estate agent if the property transaction is closed, or pay damages for breach of contract under the existing estate agent's exclusive agreement. Such solicitations could be in any form via telephone, text messages, email, mail, personal contact or other electronic means.

Example:

Salesperson A saw an exclusive listing advertised by Salesperson B looking for a buyer. He took the effort to find out and emailed the seller to offer to sell his property at a lower commission. Salesperson A should not have solicited the appointment knowing that the seller had already appointed Salesperson B under an exclusive estate agency agreement.

2.1.3. Estate agents or salespersons shall not knowingly offer or provide their services to sell/rent the properties of prospective clients whom they know are currently parties to ongoing exclusive agency agreements, except with the consent of the prospective client's exclusive estate agent/salesperson.

2.1.4. When an estate agent or salesperson is contacted by the client of another estate agent or salesperson to create an exclusive relationship to provide the same type of service, and the estate agent or salesperson has not directly or indirectly initiated such discussion, he may discuss the terms upon which they might enter into a future agreement or, alternatively, they may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement. The estate agent or salesperson shall explain to the prospective client the nature of any continuing risk of liability to pay commission to the other estate agent or salesperson, if the property is acquired by a purchaser which was originally introduced by the other estate agent or salesperson. The salesperson can also alert his fellow salesperson that his client has contacted him regarding the creation of an exclusive relationship to provide the same type of service, subject to the provisions of the Personal Data Protection Act (PDPA).

Example:

Salesperson A met Mr B at a function and learnt that Mr B is selling his property. He asked Salesperson A to take over from Salesperson C, whom he had signed an exclusive agency agreement with.

In this situation, Salesperson A should inform Mr B that he may be liable to pay commission to Salesperson C if his property was bought by a purchaser whom Salesperson C had introduced to Mr B previously. Salesperson A could also inform Mr B that he may appoint Salesperson A as his salesperson after B's exclusive agency agreement with Salesperson C had expired.

2.2. Do not influence clients to cancel exclusive agency agreements

2.2.1. Prior to or after the termination of a salesperson's written agreement with his estate agent, the salesperson shall not influence clients of the estate agent to cancel exclusive agency agreements between the clients and the estate agent.

2.3. Extend reasonable co-operation to incoming salesperson appointed by client

2.3.1. If an exclusive agreement is terminated or lapsed and the client subsequently enters into an exclusive agreement with another estate agent, the outgoing salesperson shall extend reasonable co-operation to the incoming salesperson, including, if requested by the client, sharing information such as HDB Loan Eligibility Letter etc. that he had collected on behalf of the client, subject to the provisions of the PDPA and any confidentiality or intellectual property right undertakings.

2.4. Deal with the client's salesperson and not directly with the client on matters concerning an exclusively listed property

2.4.1. Any dealings concerning a property that is exclusively listed shall be carried out with the client's estate agent or salesperson and not directly with the client.

Example:

Salesperson A was engaged by his client to lease a property. He made an offer to lease the property to the landlord's salesperson, Salesperson B. The offer was turned down by the landlord as it was too low. Salesperson A then asked for another viewing and attempted to approach the landlord directly to try to convince him to accept the offer. Salesperson A should have liaised directly with Salesperson B as Salesperson B was already appointed as the landlord's salesperson.

3. Conduct to be observed in relation to co-broking (for both exclusive and non-exclusive listings)

3.1. Co-broke with other salespersons in a timely and co-operative manner

3.1.1. The duty to co-broke relates to the obligation to share information on the listed property, and to make the property available to all co-brokers for showing to prospective purchasers or tenants.

3.1.2. An estate agent or salesperson shall cooperate or co-broke his property listings with other estate agents or salespersons except when he has been specifically instructed against it by his client in writing in the estate agency agreement.

3.1.3. Co-broke salespersons should respond to requests for co-broking in a timely and co-operative manner.

Example:

Salesperson A called Salesperson B regarding a listing he put up. Salesperson B learnt that Salesperson A was not a direct buyer and rudely told him he would return his call later. Salesperson B did not return the call and also did not pick up the calls from Salesperson A subsequently. Salesperson B's actions are unethical and not in the interest of his client. He should have responded to requests for co-broking in a co-operative manner.

3.2. Disclose personal details (name, CEA registration number, estate agent and contact details) when seeking information from other estate agent or salesperson

3.2.1. An estate agent or salesperson, when seeking information from another estate agent or salesperson concerning a property which is under an estate agency agreement, shall disclose his personal details (full name, CEA registration number, estate agent and contact details) if he is enquiring on his client's behalf.

3.3. Do not mislead, deceive or make any misrepresentation to other salespersons

3.3.1. Salespersons shall not conduct or act in a manner that may mislead or deceive fellow co-broke salespersons.

3.3.2. Salespersons shall not make any misrepresentation to any other salesperson such as misrepresenting the availability of access to show or view a listed property. An estate agent or salesperson shall also not provide access to a listed property on terms other than those instructed or established by the property owner.

Examples:

a. Salesperson A falsely claimed to Salesperson B that the client reduced the commission so that he could give Salesperson B a lower commission amount based on their pre-agreed commission sharing percentage.

b. Salesperson C falsely informed Salesperson D that the property had been sold or was not available when the latter responded to his advertisement.

c. Salesperson E represented his client who had agreed to pay him a commission of 2% of the transacted price of his property being sold. However Salesperson E informed the buyer's salesperson, Salesperson F that he was only receiving a commission of 0.5% of the price. He did so as he did not intend to share his commission with Salesperson F. As such, Salesperson F sought commission from the buyer. Salesperson E's misleading statement was found out by the buyer. Salesperson E had misled the buyer's salesperson into thinking that he was collecting a small commission which resulted in the buyer's salesperson seeking

commission from the buyer. His misleading act brought discredit and disrepute to the estate agency trade.

Salespersons have a duty to avoid acts that may bring discredit or disrepute to the estate agency trade or industry, in particular fraudulent, dishonest, deceitful or misleading acts.

3.4. Mutually agree on the terms and conditions and co-brokerage fee prior to entering into a property transaction

3.4.1. Any agreement on the terms and conditions for co-broking shall be confirmed in writing between the listing estate agent/ salesperson and the co-broking estate agent/ salesperson prior to negotiating and entering into a property transaction.

3.4.2. The sharing of the commission or fee for a completed transaction, if any, is strictly an agreement between the estate agents/ salespersons. To prevent occurrence of disputes, the co-brokerage fee between two or more estate agents/ salespersons should be mutually agreed upfront. The parties and terms relating to the co-brokerage fee should be made known to all parties to the transaction by their respective salespersons upon the agreement to enter into the co-broking arrangement. There should be no additions of new parties to the agreement after it is made. In addition, salespersons should avoid negotiating their co-brokerage fee in front of their clients.

Example:

Salesperson A brought a buyer to view a property marketed by Salesperson B. Salesperson B discussed with Salesperson A during the viewing on how the commission should be split between them. The sharing of the commission should be mutually agreed upfront. Discussing the commission in front of the clients may give the clients a bad impression of the industry.

3.5. Work with the listing salesperson to close the transaction and not bypass or cut out the listing salesperson

3.5.1. An estate agent or salesperson shall not request the contact details of, a co-broker's client, or approach such client to speak about or communicate any matter relating to the potential property transaction, except with the consent of the co-broker.

Example:

Salesperson A represents the seller of a private property and advertised for the seller. Salesperson B responded to the advertisement and a viewing was arranged for a prospective buyer brought by Salesperson B. Subsequently Salesperson A contacted the buyer directly with the intention of not sharing commission with Salesperson B. Salesperson A should have liaised directly with Salesperson B to close the transaction as the latter was already appointed as the buyer's salesperson.

3.5.2. An estate agent or salesperson who comes to know of a property available for sale or lease through another salesperson's listing, or seeking to co-broke a property transaction and who has obtained any information relating to such property pursuant to an enquiry with the advertising salesperson, shall work with the listing salesperson to close the transaction and not make direct approaches to the landlord/owner. In addition, the salesperson shall not arrange for, or suggest to, other salespersons to make direct approaches to the landlord/owner as this would also have the effect of bypassing the listing salesperson who had introduced the landlord/owner or property to them.

Examples:

a. Salesperson A was exclusively appointed by a landlord verbally to lease out a newly completed condominium unit. After seeing Salesperson A's advertisement on the newspaper, Salesperson B contacted Salesperson A and ascertained the specific property that was being advertised. Salesperson B then found out the contact details of the landlord and contacted the latter, informing that he has a suitable tenant to introduce to the landlord. The landlord asked Salesperson B to go through Salesperson A to co-broke but Salesperson B refused. In the end, the landlord proceeded to close the transaction with Salesperson B, thereby cutting out Salesperson A in the transaction. Salesperson B should not have directly approached the landlord.

b. Salesperson E advertised for landlord in an open listing arrangement. Salesperson F responded to the advertisement and a viewing was arranged for a prospective tenant brought by Salesperson F. On the same day, prospective tenant made an offer to the landlord, conveyed via Salesperson F to Salesperson E. The landlord rejected the offer on the next day because he was looking at getting a higher rent. The rejection was conveyed by Salesperson F to Salesperson E.

On the same day, the prospective tenant informed Salesperson F that he would raise his offer. Instead of relaying the revised offer to Salesperson E, Salesperson F asked Salesperson G, who was from the same estate agent, to represent the tenant and told Salesperson G to approach the landlord directly. Salesperson G contacted the landlord to arrange for a viewing and lied to the landlord that he was bringing another tenant for viewing. The following day, Salesperson F and Salesperson G brought the same tenant for viewing. The tenancy agreement was signed on that day between the landlord and tenant. Salesperson F and Salesperson G had acted unethically to cut Salesperson E out of the transaction by going to the landlord directly, when it was Salesperson E who had first introduced the landlord to the tenant and Salesperson F.

4. Ethical standards required of estate agents' team leaders and members

4.1. Duty of team leaders to supervise team members

4.1.1. Where a salesperson has over-riding commissions over another salesperson (i.e. he collects a share of the commission earned by the other salesperson) for example, a team leader, the former shall make reasonable efforts to supervise the salespersons under him to comply with the provisions of the Act, Regulations, Codes, practice guidelines and circulars issued by CEA.

Example:

Salesperson A was appointed as the seller's salesperson. He instructed Salesperson B, whom he has over-riding commissions over, to advertise the property on a 'Buyer only' (or no co-broke) basis. He also instructed Salesperson B not to entertain any enquiries from co-broking salespersons in the sale of the property. Salesperson A wanted Salesperson B to represent the buyer of the property. The intent of Salesperson A's actions was to target and limit exposure to only direct buyers. Such basis of advertisement and marketing was not in the sellers' best interest, as salespersons (representing potential buyers) were not entertained and thus the scope of exposure of the property to potential buyers was limited. This affected the seller's interest and should not have been done.

4.2. Duty to observe procedures assigned by team leaders during sales launches

4.2.1. Where salespersons are deployed on the ground in groups or teams e.g. during a sales launch, salespersons from the same estate agent or from different estate agents shall follow the procedures laid down and tasks assigned by their supervisors/ team leaders. Salespersons shall exercise courtesy and act ethically towards one another in the discharge of their duties. This includes priority in the assignment of clients.

Example:

Estate Agent A and Estate Agent B were appointed to market an Executive Condominium project. Salesperson C (of Estate Agent A) made an appointment with his buyer to view the development. Salesperson D (of Estate Agent B) intercepted the buyer at the carpark and marketed the property to him although the buyer had informed him that he had made an appointment with Salesperson C. In the end, the buyer bought a unit through Salesperson D instead of Salesperson C. Salesperson D had acted unethically to cut Salesperson C out of the transaction when it was Salesperson C who had first made the appointment with the prospective buyer.