

CEA Ref: N22-20  
Date: 5 May 2020

To: Key Executive Officers

*By Email*

Dear Sir / Madam,

## **[NOTICE 22-20] AMENDMENTS TO THE ESTATE AGENTS ACT**

1. This notice informs Key Executive Officers (KEOs) that the Estate Agents (Amendment) Bill has been passed by Parliament on 5 May 2020. The amendments are expected to come into operation in mid-2020.
2. The Estate Agents Act (EAA) was enacted in 2010 to better protect consumer interest and raise the professionalism of the real estate agency industry. The EAA, which has not been amended until now<sup>1</sup>, sets out the legislative and regulatory framework for estate agents (EAs) and real estate salespersons (RESs).

### **Rationale and key amendments**

3. The EAA amendments aim to:
  - a. Align Singapore's levers against money laundering and terrorism financing with international standards<sup>2</sup>.
  - b. Enhance productivity in taking timely disciplinary actions against errant EAs and RESs.
  - c. Update the regulatory framework to enable CEA to respond more efficiently to industry stakeholders in a changing operating environment.
4. The Council for Estate Agencies (CEA) conducted an industry consultation exercise on the proposed key EAA amendments from 13 December 2019 to 9 January 2020. We received feedback from a total of 41 respondents comprising EAs and the Singapore Estate Agents Association. The majority of respondents agreed with or had neutral views on the amendments.

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<sup>1</sup> Apart from consequential amendments as a result of the commencement of the Public Sector (Governance) Act in April 2018.

<sup>2</sup> The international standards are based on the Financial Action Task Force (FATF)'s recommendations. FATF is an inter-governmental body established to set standards and promote effective implementation of legal, regulatory, and operational measures for combating money-laundering, terrorist financing, and other related threats to the integrity of the international financial system. As a FATF member, Singapore has an obligation and is committed to implement its recommendations.

5. The Ministry of National Development (MND) and CEA subsequently incorporated the relevant feedback and suggestions into the Bill which Parliament has passed. The key amendments are listed below:

- a. The real estate agency industry has and will continue to take a serious stand against money laundering and terrorism financing. The duties of EAs and RESs on the prevention of money laundering and terrorism financing, which are already obligations under CEA's Practice Guideline 01-19, will be elevated to requirements under the amended EAA. As per current compliance requirements, EAs and RESs will need to conduct customer due diligence checks, report any suspicious transactions to the Suspicious Transaction Reporting Office, and keep records of the due diligence checks, which CEA may inspect. Subsidiary legislation on the prevention of money laundering and terrorism financing will be prescribed later.
- b. To further enhance the professionalism of the industry and maintain consumer trust and confidence, KEOs and CEA will need to continue to work together to deter a minority group of errant EAs and RESs from breaching the EAA and its regulations, which sets back the progress of the industry. The EAA has been amended as follows:
  - i. To enable CEA to deal with less serious breaches more quickly, the amended EAA will allow CEA to censure errant EAs and RESs and impose financial penalties of up to \$5,000 for minor breaches without a Disciplinary Committee hearing. Financial penalties and letters of censure imposed by CEA may be published on the CEA Public Register.
  - ii. Financial penalties imposed by the Disciplinary Committee will increase from \$75,000 to \$200,000 per case for EAs and \$100,000 per case for RESs. The increase will enable CEA to tackle more serious cases in future that may warrant higher financial penalties, and more importantly, to send the right signals to the industry to deter breaches.
- c. CEA can require attendance by any person before a CEA inspector to give statements and furnish documents and electronic devices that can be inspected, copied or extracted for investigations involving disciplinary breaches.
- d. CEA can conduct document inspections electronically and at premises under CEA's control, other than the EAs' offices.
- e. CEA will be able to serve documents through electronic means.

6. Please refer to [CEA's website](#) for more information and frequently-asked questions on the EAA amendments.

7. We will inform you in due course when the EAA amendments come into operation. With the EAA amendments, let us work together to further enhance the level of professionalism in the real estate agency industry and to gain consumers' trust.

8. Thank you.

Yours sincerely,

GAVIN NG  
DEPUTY DIRECTOR (POLICY & PLANNING)  
COUNCIL FOR ESTATE AGENCIES