

S/N 2 – Failing to Comply with HDB Procedure and Failing to Declare a Potential Conflict of Interest

Facts of Case

The Respondent acted for the buyers in their purchase of a HDB flat ('Property').

The Respondent did not disclose to her clients that one of the co-sellers was her husband and the other two co-sellers were her parents-in-law.

The buyers decided to purchase the Property after viewing it. The Respondent arranged for the sellers to issue an undated option to purchase to the buyers (which she said she would date after the buyers obtain their Housing Loan Eligibility letter) on the same day that the sellers completed the sellers resale checklist. HDB resale procedure provides that a seller can only issue the option to purchase at least 7 days after the date of completion of the sellers resale checklist.

At the first appointment at HDB, the Respondent arranged or facilitated a supplemental agreement between her husband and the buyers to allow the sellers to continue to stay in the Property after completion, for slightly over a month. This was contrary to HDB resale procedure.

Charges

The Respondent was charged for the following offences:

Charge 1

Failing to declare to her clients her conflict or potential conflict of interest which arose from her relationship with the three co-sellers and instead continuing to assist the buyers to purchase the Property, in contravention of paragraph 13(1) read with paragraph 13(2)(a) of the Code of Ethics and Professional Client Care.

Charge 2

Failing to comply with HDB resale procedure by arranging or facilitating the supplemental agreement to extend the sellers' stay at the Property beyond completion and arranging for the option to purchase to be issued on the same day as the completion of the sellers resale checklist, in contravention of paragraph 4(1) read with paragraph 4(2)(e) of the Code of Ethics and Professional Client Care.

Charge 3

Procuring or asking the sellers to sign an undated option to purchase, in contravention of paragraph 9(2)(d) of the Code of Ethics and Professional Client Care.

Charge 4

Making a false statutory declaration that the sellers and buyers have not entered into a supplemental agreement, apart from the option to purchase, in contravention of paragraph 5(1) read with paragraph 5(2)(a) of the Code of Ethics and Professional Client Care.

Outcome

A plea bargain agreement between the Respondent and CEA was reached whereby CEA proceeded with Charges 1 and 2, which the Respondent pleaded guilty to, with Charges 3 and 4 being taken into consideration for purposes of sentencing.

The DC imposed the following penalties upon the Respondent:

Charge 1: a financial penalty of \$3,000 and suspension of 3 months; and
Charge 2: a suspension of 1 month.

The suspensions were ordered to run concurrently and fixed costs of \$1,000 were also imposed upon the Respondent.