

**Note:** This case was referred to a CEA Disciplinary Committee (DC) before the operationalisation of the Estate Agents (Amendment) Act 2020 on 30 July 2021. With the Act amendments, the maximum financial penalty for disciplinary breaches has been raised and a DC can impose a higher financial penalty on errant offenders.

## **S/N 1/2014– Failure to Declare a Potential Conflict of Interest**

### **Facts of Case**

The Respondent was a salesperson and the sole-proprietor of a business providing hostel and transportation services. She signed a one year tenancy agreement with a construction company for the rental of a 3-room HDB flat at a monthly rental of \$1,750.

The Respondent advertised on a website for the sublease of the flat. The Respondent represented the sublessee in taking a sublease (at a monthly rent of \$1,900 over several months) from the business but did not disclose that she was the sole-proprietor of the business. The sub-lessee paid commission of \$950.00 to the Respondent as salesperson's commission.

In addition, the two copies of the sublease agreements held by the sublessee and the Respondent's sole-proprietorship were different in two material respects. The clause relating to the number of people allowed to stay in the premises was different in the two copies; and another clause in relation to updating the sub-lessees list and keeping out illegal sub-lessees in the unit was only present in one copy.

### **Charges**

The Respondent faced the following two charges

#### **Charge 1**

Failing to declare to her client her potential conflict of interest which arose by virtue that she was the sole-proprietor of the sub-landlord, in contravention of paragraph 13(1) read with paragraph 13(2)(a) of the Code of Ethics and Professional Client Care.

#### **Charge 2 (taken into consideration)**

Failing to record the exact agreement between the parties concerned in breach of paragraph 9(1) of the Code of Ethics & Professional Client Care as the two copies of the sublease agreements were different.

### **Outcome**

Pursuant to a plea bargain, the Respondent pleaded guilty to Charge 1 while Charge 2 was taken into consideration for purposes of imposition of penalty for Charge 1.

The DC imposed a financial penalty of \$5,000 and a suspension order of 6 months on the Respondent. Fixed costs of \$1,000 were also imposed on her.