

1 December 2021

**PROPERTY AGENT CONVICTED AND FINED \$5,000
FOR HOLDING TRANSACTION MONIES**

A property agent with Propnex Realty Pte Ltd, Charles Tan Chun Peng, 42, was convicted by a District Court and ordered on 1 December 2021, to pay a fine of \$5,000 for holding transaction monies on behalf of a property developer for the purchase of a condominium unit.

2 Under Regulation 7(1) of the Estate Agents (Estate Agency Work) Regulations 2010 (the Regulations) of the Estate Agents Act (Cap 95A) (the EAA), it is an offence for an estate agent or salesperson to hold or handle any money for or on behalf of any party in relation to the sale or purchase of any property situated in Singapore and the lease of HDB property.

About the case

3 Around December 2018, CEA received information that an Option-To-Purchase for the sale and purchase of an uncompleted condominium unit was rescinded because one purchaser (the father) was an undischarged bankrupt while the other purchaser (the son) was below the age of 21 years.

4 Investigations revealed that sometime in October 2016, Tan had conducted a viewing of a show flat for the purchasers and their family. After the viewing, the father decided to buy a unit with his son and agreed to pay the 5% booking fee of \$44,300. However, when the booking fee was due to be paid, the father informed Tan that he could only pay the booking fee in cash as he did not have a bank account. Tan then offered to help the purchasers to issue a cheque

for the payment of the booking fee which they were to pay him in cash. The purchasers accepted Tan's offer and the father immediately handed over \$11,000 cash to Tan at the show flat, which Tan deposited into his bank account the next day.

5 On the same day, Tan also proceeded to the father's residence and the father handed a red plastic bag containing \$32,300 cash to him. Tan also deposited the \$32,300 cash into his bank account and later handed over a cheque for \$44,300 which he issued to the developer as payment of the booking fee on the purchasers' behalf. The shortfall of \$1,000 was covered using Tan's personal funds.

6 A few days later, the father's ex-wife contacted Tan and informed him that the father and the son were an undischarged bankrupt and an underaged individual respectively. She requested that the purchase be made void and the booking fee refunded to the purchasers. Tan sought the advice of his estate agent Propnex Realty Pte Ltd, which assisted him in drafting a letter to the developer requesting for a refund of the booking fee to the purchasers. The developer later refunded the booking fee in full to the purchasers.

CEA's charges against Tan

7 Tan pleaded guilty and was convicted in Court for the second charge under Regulation 7(1)(a) of the Regulations for holding on behalf of the developer transaction monies amounting to \$32,300, which was in partial payment of the total booking fee of \$44,300 for the purchase of the condominium unit on behalf of the purchasers to the developer. In sentencing Tan, the Court also took into account the first charge of holding on behalf of the developer the transaction monies of \$11,000 which was also in partial payment of the total booking fee.

8 The Court imposed a fine of \$5,000 on Tan for the CEA charge.

Advice to consumers

9 Property agencies and agents are prohibited from handling transaction monies for or on behalf of any party in the sale or purchase of any property situated in Singapore and the lease of HDB property. This regulation is to protect consumers' interests. If agencies or agents handle transaction monies, they may compromise the integrity of the transaction and put their clients at risk especially if they misappropriate the money or convert the money for their own use.

10 CEA advises consumers not to hand transaction monies to their property agencies and agents or make such requests to them. Transaction monies include but are not limited to those below:

- For a transaction relating to the sale and purchase of a property, transaction monies include option fee, down-payment, stamp duties, deposits, and sales proceeds.
- For a transaction relating to the lease of a HDB property, transaction monies include rental deposits and monthly rentals.

Valuation fees and commission are not considered transaction monies.

11 The public can report property agencies and or agents who handle transaction monies to CEA at feedback@cea.gov.sg. [Useful information](#) on the dos and don'ts of engaging property agents is available on CEA's website.

About the Council for Estate Agencies

The Council for Estate Agencies (CEA) is a statutory board established in 2010 under the Estate Agents Act to regulate and promote the development of a professional and trusted real estate agency industry. The key responsibilities of CEA are to license property agencies and register property agents, promote the integrity and competence of property agencies and property agents, and equip consumers with the necessary knowledge to make informed decisions in property transactions involving property agents. For more information, please visit: www.cea.gov.sg.