

MEDIA RELEASE

29 MAY 2013

SALESPERSON CHARGED FOR MONEYLENDER REFERRAL, HANDLING OF TRANSACTION MONIES

The Council for Estate Agencies (CEA) is charging a real estate salesperson in Court on 29 May 2013 at 2.30 pm for allegedly receiving payment from a licensed moneylender for the loans his clients took and handling transaction monies for his clients. Mustafa Kamal Bin Seri (52 years old, Singaporean male) was a registered salesperson with a licensed estate agent, Your Estate Specialist LLP when he allegedly committed the offences.

2. Under the Estate Agents Act, it is an offence for estate agents and salespersons to introduce the services of any moneylender to their clients and to receive commissions, rewards, fees, payments or any benefits from any moneylender for any moneylending transaction. Estate agents and salespersons are also prohibited from holding or handling any money for or on behalf of any party in relation to the sale and purchase of any property situated in Singapore. CEA's charges against Mustafa are listed in [Annex A](#).

About the Case

3. CEA's allegations against Mustafa are as follows. In February 2012, a married couple engaged the services of Mustafa to sell their four-room HDB flat and purchase a three-room flat in Yishun. In late February 2012, Mustafa approached his clients for a personal loan of \$50,000. He requested that they borrow the sum from a moneylender to advance him the money and that they

repay the moneylender using the sales proceeds of their HDB property. The couple agreed.

4. In February, March and April 2012, Mustafa brought his clients to a licensed moneylender, 168 Credit Pte Ltd, to obtain three separate cash loans totalling \$57,500. The moneylender deducted a total of \$7,500 in acceptance fees for the three loans, and the couple handed the remaining \$50,000 to Mustafa. Sometime between May and July 2012, Mustafa received a payment of \$2,000 from the moneylender for the three moneylending transactions of his clients.

5. For the sale of the couple's flat in March 2012, Mustafa requested for and received the Option-To-Purchase deposit of \$3,000 from the buyer via a bank transfer, and paid it to his clients. After the sale transaction was completed in May 2012, the husband handed Mustafa \$15,000 in cash, which Mustafa then handed to his clients' law firm in July 2012 to complete their purchase of the three-room HDB flat.

Advice for Consumers

6. Estate agents and salespersons should not be involved in moneylending activities or abet unlicensed moneylenders in their criminal activities. They are not allowed to refer a client to any moneylender or receive any commission or other benefit from any moneylender relating to moneylending transactions. Consumers are advised to report to CEA on any estate agent or salesperson who works in collusion with a moneylender. They can lodge a report with CEA at 1800-6432555 or feedback@cea.gov.sg.

7. Consumers are also advised not to hand transaction monies to their salespersons. In a property sale and purchase transaction, transaction monies include option fee, downpayment, stamp duties, deposits and sales proceeds. Valuation fees and commissions are not transaction monies.

8. For more consumer tips and reference resources, consumers can visit the “Consumer Resource Centre” on the CEA Website: www.cea.gov.sg/consumerresources.

About Council for Estate Agencies

The Council for Estate Agencies (CEA) is a statutory board established 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 estate agents and register salespersons, promote the integrity and competence of estate agents and salespersons, and equip consumers with the necessary knowledge to make informed decisions in property transactions. For more information, please visit: www.cea.gov.sg.

CEA'S CHARGES AGAINST MUSTAFA KAMAL BIN SERI

Mustafa Kamal Bin Seri will be charged in Court under the Estate Agents Act (EAA) 2010 for the following three charges:

- (a) One charge for one account of receiving a payment from a moneylender in respect of a moneylending transaction, under Regulation 6(1)(b) of the EAA 2010; and
- (b) Two charges for two accounts of handling money for his clients in relation to their sale of their four-room HDB flat and their purchase of their three-room HDB flat, under Regulation 7(1)(a) of the EAA 2010.

2. The punishment for each offence under Regulation 6(1) of the EAA 2010 is a fine not exceeding \$25,000 or imprisonment for a term not exceeding 12 months or both. The punishment for each offence under Regulation 7(1) of the same Act is a fine not exceeding \$10,000/- or to imprisonment for a term not exceeding 6 months or both.