

MEDIA RELEASE

29 OCT 2010

NEW CODES TO REGULATE CONDUCT OF ESTATE AGENCY WORK

The Council for Estate Agencies (CEA) released new rules today that will set standards and regulate the conduct of estate agency work.

Estate Agents (Estate Agency Work) Regulations 2010

2 The Estate Agents (Estate Agency Work) Regulations 2010 ("EAW") contains two Codes in its schedules: (i) the Code of Ethics and Professional Client Care, applicable to estate agents and salespersons; and (ii) the Code of Practice applicable to estate agents. The two Codes will guide estate agents and salespersons and help to enhance professionalism in the industry and encourage ethical behaviour and good service to consumers

3 The EAW will prohibit dual representation by salespersons (i.e. no salesperson is allowed to act for both buyer & seller or landlord & tenant in any property transaction), and prohibit estate agents and salespersons from handling cash in certain transactions or referring their clients to any moneylender. The EAW also contains responsibilities for estate agents. For instance, it stipulates guidelines regarding advertisements and requires estate agents to have systems and processes for the management and supervision of their business and salespersons. Estate agents are also required to have a proper complaints handling system. These provisions of the EAW will take effect from 15 November 2010 onwards.

4 Other provisions, which will start from 1 January 2011, include the following: prescribed estate agency agreements that estate agents will use with their clients for the sale, purchase or lease of residential property in Singapore, and the requirement for persons doing estate agency work to have professional indemnity insurance

coverage. It will also be a requirement for every individual who undertakes estate agency work to take part in continuing professional development programmes for a minimum of 6 hours per year from 2011.

5 The EAW will require salespersons to display their estate agent's card, when doing estate agency work. This will take effect from 1 March 2011 to allow the industry sufficient time to comply with the estate agent's card requirement. The full Regulations are available on CEA's website at www.cea.gov.sg.

Commencement of Other Regulations and Regulatory Requirements

6 The Estate Agents (Licensing and Registration) Regulations 2010 and the Estate Agents (Fees) Regulations 2010 will take effect on 1 November 2010. Application for estate agent's licence and salesperson's registration will commence on the same date. The application forms can be downloaded from CEA's website at www.cea.gov.sg. Applications should be submitted through the respective estate agents by 30 November 2010. Those who successfully register with CEA will be published on CEA's website from 1 January 2011 for the public to check. As at 22 October 2010, the estate agents informed CEA that they have 32,800 existing salespersons who meet CEA's criteria¹.

7 To uphold standards in the industry and safeguard consumer interests, those who do not meet the licensing or registration criteria will not be granted a licence or registration. This includes those with criminal records, especially for fraud and dishonesty. For individuals with such records, the Council will assess them on a case-by-case basis, taking into account factors such as the severity of the offence and time lapsed.

8 From 1 January 2011, all persons performing estate agency work must be registered with CEA as salespersons via their estate agents and it will be an offence if they operate without registration. They must also have written agreements with estate agents before they can practise.

¹ These salespersons either have passed an industry examination or have met the minimum of 3 property transactions over the last 2 years to qualify for the transitional arrangement given to pass the CEA examination by 31 December 2011.

9 Besides this, the Estate Agents (Composition of Offences) Regulations 2010, which lists the compoundable offences, and the Estate Agents (Appeals) Rules 2010, which provides information on appeals procedures for persons aggrieved by a decision of the Council or a Disciplinary Committee, will also commence on 1 November 2010. The timeline for commencement of the various regulations and regulatory requirements is summarised in [Annex A](#).

Meeting of Major Industry Players

10 As part of our on-going industry engagement, Mr Greg Seow, Council President, met major industry players on 29 October 2010. He shared with them CEA's expectations of the industry and sought their cooperation for the new regulatory requirements. He stressed that CEA would not hesitate to take firm action against estate agents and salespersons for non-compliance. He urged the industry to work together with CEA to uphold and improve overall professionalism and ethics of estate agents and salespersons.

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

TIMELINES FOR COMMENCEMENT OF VARIOUS REGULATIONS AND REGULATORY REQUIREMENTS

Date	Event
1 November 2010	Commencement of the following Regulations <ul style="list-style-type: none"> i. Estate Agents (Licensing and Registration) Regulations 2010 ii. Estate Agents (Fees) Regulations 2010 iii. Estate Agents (Composition of Offences) Regulations 2010 iv. Estate Agents (Appeals) Rules 2010
15 November 2010	Commencement of Estate Agents (Estate Agency Work) Regulations 2010 except the display of estate agent's card requirement
1 January 2011	<ul style="list-style-type: none"> i. All persons doing estate agency work must be registered as a salespersons and operate under a written agreement with an estate agent before they can practise ii. Estate agents are required to use the standard estate agency agreement
1 March 2011	Commencement of the display of estate agent's card requirement