

## **MEDIA RELEASE**

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**21 DECEMBER 2012**

### **CEA'S FIRST PROSECUTION CASE AGAINST SALESPERSON FOR MONEYLENDER REFERRALS**

The Council for Estate Agencies (CEA) brought six charges against a real estate salesperson in Court on 21 December 2012 at 2.30 pm for allegedly referring clients to a licensed moneylender and receiving payments from the moneylender. Ghazali Bin Mohamed Rasul (38 years old, Singaporean male) was a registered salesperson with a licensed estate agent, PropNex Realty Pte. Ltd. when he allegedly committed the offences. He is the first salesperson to be prosecuted by CEA for moneylending-related offences.

2. Under the Estate Agents Act, it is an offence for estate agents and salespersons to introduce, refer or recommend or suggest the use of the services of any moneylender to their clients. They are also prohibited from receiving commissions, rewards, fees, payments or any benefits from any moneylender for any moneylending transaction. CEA's charges against Ghazali are listed in [Annex A](#).

#### **About the Case**

3. CEA's allegations against Ghazali are as follows. From November 2010 to November 2011, Ghazali introduced four clients to a licensed moneylender, AM Credit, for loans. The clients had engaged his services separately to sell their respective HDB flats. Two of them took loans of \$5,000 each, and one

borrowed \$7,000 from AM Credit. As a reward, Ghazali received two payments of \$150 from AM Credit for two of the moneylending transactions.

4. The HDB flat is intended to be a home for owner occupation, and an asset to help meet retirement needs. HDB flat owners are thus not allowed to use their HDB flats as security or collateral of any debt, obligation or claim. Salespersons engaged by clients with financial needs should not exploit their clients' circumstances and involve themselves with moneylending activities conducted by either licensed or unlicensed moneylenders. The provisions of the Estate Agents Act keep the estate agency industry separated from moneylending businesses as persons who hold moneylender licences or who are employed or are directors in moneylending businesses are not eligible to be granted estate agent licences and salesperson registrations by CEA. Such provisions are in the public interest and are not to be circumvented.

5. Said Purnima Shantilal, Director (Licensing & Investigation) of CEA: "Estate agents and salespersons may have obtained confidential information from their clients in the course of acting for them, such as knowledge about their clients' financial needs. They should handle such information responsibly and act in the interest of their clients. CEA does not condone any collusion with moneylenders or involvement in moneylending activities by estate agents and salespersons. We will investigate and deal decisively when such practices are uncovered. Any person convicted in Court of such offences will not be fit to be a salesperson and can face debarment by CEA from working in the industry."

6. Since October 2010, CEA has debarred ten individuals who were involved in unlicensed moneylending activities from registration as salespersons. CEA also collaborated with the Police on cases where salespersons may be involved in unlicensed moneylending activities. One such case has resulted in a salesperson, who is also the Key Executive Officer of an estate agent being prosecuted for unlicensed moneylending offences in court recently.

## **Advice for Consumers**

7. 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](mailto:feedback@cea.gov.sg).

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

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## **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](http://www.cea.gov.sg).

**CEA'S CHARGES AGAINST GHAZALI BIN MOHAMED RASUL**

Ghazali Bin Mohamed Rasul will be charged in Court under the Estate Agents Act (EAA) 2010 for the following six charges:

- (a) Four charges for four accounts of introducing a client to a moneylender, under Regulation 6(1)(a) of the EAA 2010; and
- (b) Two charges for two accounts of receiving a payment from a moneylender in respect of a moneylending transaction, under Regulation 6(1)(b) of the EAA 2010.

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