

Our Ref: PC 02-15

Date: 19 May 2015

### **Key Executive Officers**

Dear Sir/Madam

Effective Date: With effect from 25 May 2015

## **DUTIES OF ESTATE AGENTS AND SALESPERSONS TO CONVEY ACCURATE INFORMATION TO PROSPECTIVE PURCHASERS ON THE TRANSACTION PRICE OF PRIVATE RESIDENTIAL PROPERTY AND ON BENEFITS OFFERED BY DEVELOPERS**

Developers may offer benefits in the form of payment, rebate, absorption of legal fees or stamp fees, rental guarantees, reimbursement, allowance, discount, voucher or others (whether monetary or otherwise) to attract purchasers. Such benefits can be broadly classified into direct price benefits and indirect benefits.

Direct benefits, such as early-bird and VIP discounts, entail a reduction of the purchase price upfront. For indirect benefits, purchasers are not given a reduction of the purchase price for the property but are given 'cash-back' subsequently through schemes such as legal fees or stamp duty reimbursements and furniture vouchers.

2. With effect from 20 Jul 2015, under the Housing Developers (Control and Licensing) Act, developers are required to state the benefits offered to purchasers of their projects in the Option to Purchase and Sale and Purchase Agreement. With effect from 25 May 2015, developers are required to provide information to the Controller of Housing on the benefits that they had offered to purchasers of their projects.

3. Estate agents and salespersons are engaged by or work with developers to market their projects. It is the duty and responsibility of estate agents and salespersons to convey accurate information to prospective purchasers and consumers on the transaction price of the property, and on the direct and indirect benefits including but not limited to payment, rebate, absorption of legal fees or stamp fees, rental guarantees, reimbursement, allowance, discount, voucher or other benefit (whether monetary or otherwise) offered by the developers. This will enable the prospective purchasers to know the true transaction price and be able to make an informed decision in the purchase of the properties. The advertising and marketing materials of estate agents and salespersons shall similarly contain accurate information on the transaction price and direct and indirect benefits offered by the developer. Misleading information on the true transaction price or any benefit

offered by developer shall not be provided to any party by the estate agents or salespersons.

4. In addition, estate agents are required to maintain a record of the detailed information on the direct and indirect benefits which were provided by the developers who engaged them. Please refer to **Annex A** for the format of the record to be maintained. Estate agents must submit the record when required by CEA.

5. Estate agents and salespersons who infringe this Circular and/or provisions of the Code of Ethics and Professional Client Care/or Code of Practice may be subject to disciplinary action before a Disciplinary Committee under section 52(3) of the Estate Agents Act 2010. If found guilty, the estate agent or salesperson may be subject to a financial penalty of a specified amount not exceeding \$75,000, and/or suspension or revocation of his licence or registration.

6. Estate agents and salespersons are required to comply with this Circular. Estate Agents should also manage and supervise their salespersons to ensure their compliance with this Circular.

7. If you require further clarification, please call us at 1800 643 2555, or write to us at [feedback@cea.gov.sg](mailto:feedback@cea.gov.sg).

Yours sincerely

Desmond Yeo  
Deputy Director (Inspection & Compliance)  
for Executive Director  
Council for Estate Agencies

**ANNEX A**

**Information on benefits offered by developer to purchasers**

<b>Project name</b>	
<b>Developer</b>	
<b>Location</b>	
<b>Month of launch</b>	
<b>Describe the nature, and terms and conditions of benefits. Include whether it is a direct or indirect benefit.</b>	

Block numbers and Individual units	Transacted/ Purchased prices	Breakdown of amount or monetary value of benefits	Dates in which developer informed the EA/salespersons about the benefits to be offered to purchasers	Dates which the EA/salespersons conveyed the benefits to purchasers	Remarks