



INSTITUTE OF ESTATE AGENTS, SINGAPORE

CODE OF CONDUCT AND ETHICS

<u>Article</u>	<u>Contents</u>	<u>Page</u>
1.0	Introduction	2
2.0	Fundamental Ideals	2
3.0	Proper Office	3
4.0	Duties To Clients And Prospects	3
5.0	Duties To The Public	6
6.0	Duties To Members	9
7.0	Disciplinary Proceedings	12
8.0	General Clause	12

CODE OF CONDUCT AND ETHICS OF THE INSTITUTE OF ESTATE AGENTS

1.0 INTRODUCTION

- 1.1 A Code of Conduct and Ethics (hereinafter called the "Code") is usually the result of a coming of age of dedicated practitioners in a given profession aspiring to bring to it higher levels of professionalism and standards of practice.
- 1.2 Aspirations such as these demand that the Code embodies, at the highest level, fundamental principles of Responsibility, Integrity, Objectivity, Independence, Discipline and Knowledge.
- 1.3 In a profession which at one point in time or another touches the life of every citizen, either directly or indirectly, there is a grave and inherent moral obligation that every practitioner in the profession be governed and guided by such a Code.
- 1.4 The observation and diligent practice of such a Code will bring to Members Respect, Professional Standing, Pride, Confidence and Order in this very large and important profession.
- 1.5 In accordance with the Code, it should be the unflinching aspiration of every Member to achieve the highest standards of moral conduct in real estate dealings and not to be swayed or induced by profit or personal gain to depart from these ideals. Every Member should also recognise the critical part each Member plays in the profession and the responsibilities arising out of the reliance clients or prospects place upon each Member. It is therefore incumbent on all Members to continually upgrade their skills and to be kept informed of matters concerning the profession so that Members may better serve clients, prospects and the profession and in so doing, serve the community and the nation as a whole. In dealing with one another, Members should practise these same ideals, morals and principles and accord each other the respect and co-operation which professionals are entitled to expect from one another.
- 1.6 In any instance where this Code and the law of Singapore conflicts, the law shall take precedence.

2.0 FUNDAMENTAL IDEALS

- 2.1 A Member's first obligation is to uphold high standards of professionalism, integrity and honour in the spirit of fairness and goodwill to clients, prospects, fellow Members and members of the public.
- 2.2 A Member should always endeavour to be informed of all relevant laws, legislations, governmental regulations, public policies and prevailing market conditions in order to be in a position to serve clients, prospects or members of the public properly.
- 2.3 A Member should endeavour to eliminate any practice which could be damaging to the public or bring discredit to the Member, the Institute or the profession. Every Member shall maintain the high standards of the profession and may refer to the Institute any act or omission of a Member which may appear to bring discredit to the Institute or the profession.

- 2.4 All Members should endeavour to work harmoniously together to prevent confusion and misunderstanding and to ensure better services to clients and prospects and to this end shall encourage and urge all clients to list properties on an exclusive basis.
- 2.5 In order to upgrade the quality of services of Members in general and in the interest of the profession and our nation, all Members should willingly share their experience and knowledge with each other.

3.0 PROPER OFFICE

- 3.1 Member Firm shall maintain a proper office and shall display appropriate signboard prominently at the office where the business is conducted.
- 3.2 Member Firm shall also ensure that Member Firm's licence is prominently displayed at Member Firm's office and a copy of this Code is available at the office.
- 3.3 All Members who are principal licensees shall maintain proper office and shall display appropriate signboard prominently at the office where the business is conducted.
- 3.4 Members should be attached to a proper office so that Members can transact their business in a professional manner and maintain and uphold professional stature.

4.0 DUTIES TO CLIENTS AND PROSPECTS

4.1 DUTIES AND RESPONSIBILITIES OF AN ESTATE AGENT

- 4.1.1 In accepting appointment to act as estate agent a Member pledges to protect and promote the interests of the Member's client and shall hold and preserve as confidential the results and other findings of the Member's work or report, provided the Member shall not be deemed to commit a breach of this article in answer to any question which the Member is legally compelled to answer. However, this obligation does not relieve the Member of the Member's moral obligation to treat all parties to a transaction fairly. When serving in a non-agency capacity, Members remain obligated to treat all parties honestly.
- 4.1.2 A Member, when acting as a principal in a real estate transaction, remains obligated by the duties imposed by this Code.
- 4.1.3 A Member, in attempting to secure listing shall not:-
 - (a) deliberately mislead prospects or clients as to the market value or otherwise;
 - and/or (b) offer services described as "free-of-charge" contingent on obtaining a benefit for the Member;

and/or (c) offer any form of inducement and/or offer and/or grant any financing loan with or without interest to prospects or clients.

4.1.4 A Member shall not act for one party to a transaction while another Member from the same body corporate acts for the other party to the same transaction without the prior knowledge or consent of the parties concerned.

4.1.5 A Member shall not act as agent for one party to a transaction while another Member from a related, associated, affiliated body corporate acts for the other party without the prior knowledge or consent of the parties concerned.

4.1.6 A Member shall submit to clients and prospects all offers and counter offers as quickly as possible until an offer has been accepted and a transaction has taken place.

4.1.7 A Member shall submit all offers and counter offers to clients and prospects in a precise, objective and unbiased manner.

4.1.8 A Member must explain the contents of all documents to the clients or prospects before the latter signs the documents.

4.2 EXAGGERATION AND MISREPRESENTATION

4.2.1 A Member shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the real estate or the transaction. A Member shall not, however, be obligated to discover latent defects in the real estate, to advise on matters outside the scope of the Member's real estate practice or to disclose facts which are confidential under the scope of agency duties owed to the Member's clients or prospects.

4.3 CO-OPERATION AMONG MEMBERS

4.3.1 In marketing real estate which is listed with a Member, such Member shall co-operate with other Members when requested, upon mutually agreeable terms and conditions, when it is clearly in the interest of the Member's client or prospect to do so.

4.3.2 A Member having the marketing rights to a real estate should establish reasonable terms and conditions for co-brokerage with another Member specifying clearly the reasonable amount of commission the co-brokerage Member is entitled to.

4.3.3 A Member shall identify the Member's representational status before seeking any information on a real estate listed or promoted by other Members.

4.4 FULL DISCLOSURE OF MEMBER'S INTEREST

4.4.1 A Member shall not acquire an interest in or buy for, or present offers from the Member, any member of the Member's immediate family, the

Member's body corporate in which the Member has a direct or indirect interest for any real estate without making the true position known to the owner and in the marketing of any real estate owned by the Member, or in which the Member has any direct or indirect interest, the Member shall reveal the facts of the Member's ownership or interest to the interested party or the interested party's representative. This article does not include instances when the Member who is the owner does not market the real estate personally.

4.4.2 For the protection of all parties concerned, the disclosures required by Article 4.4.1 shall be in writing and provided by such Member prior to the signing of any such contract.

4.5 DISCLOSURE OF INTEREST PRIOR TO UNDERTAKING PROFESSIONAL SERVICES

4.5.1 A Member shall not undertake to provide professional service concerning a real estate or its value where the Member has a present or contemplated interest unless such interest is first disclosed to all affected parties.

4.6 SECRET PROFIT

4.6.1 A Member shall not accept any commission, rebate or profit on expenditures made for a client or prospect without the client's or prospect's knowledge or consent while in the capacity as the client's or prospect's agent.

4.6.2 A Member shall not recommend to a client or prospect the use of services of another body corporate or third parties in which the Member has a direct or indirect interest without first disclosing the fact.

4.6.3 A Member shall disclose to a client or prospect if the Member may receive any financial benefit or fee from a third party as a direct result of having recommended real estate products or services (e.g. homeowners insurance warranty programmes, mortgage financing and the like) other than commission from the real estate transaction itself. However, this article does not include:-

(i) Discounts granted by media owners for advertisement placement;

and/or (ii) Sums or moneys or gifts offered by third parties that do not adversely affect the client's or prospect's interest;

and/or (iii) Any form of compensation offered by a Member Firm to its employees or contracted associates.

4.6.4 A Member or person under a Member's instruction in marketing real estate shall not obtain a Power of Attorney from the client or prospect in order to hide the true sales proceeds from the client or prospect to make secret profit and/or acting against the client or prospect interest.

4.7 DOUBLE COMMISSION

4.7.1 Dual Representation And Double Commission. A Member shall act for only one party in a property transaction. No member shall accept commission from more than one party in the same transaction regardless of consent granted from any or all the parties to the transaction.

4.8 CLEAR AND EXACT AGREEMENT

4.8.1 A Member shall ensure that an agreement concerning financial obligations and commitments in respect of a transaction is in writing, expressing the exact agreement between the parties concerned. A copy of each agreement shall be furnished to each party upon their signing or initiating or as soon as practical thereafter.

4.8.2 For the protection of all parties, Members shall use reasonable care to ensure that documents pertaining to all real estate transactions are kept current through the use of written extensions or amendments to reflect any change in the intention and agreement of the parties.

5.0 DUTIES TO THE PUBLIC

5.1 NON DISCRIMINATION

5.1.1 A Member shall provide equal and professional service to all parties regardless of race, creed, sex, religion or country of origin. No Member shall be a party to any plan or agreement to discriminate against a party or parties on the basis of citizenship, nationality, race, sex, religion or creed.

5.2 PROFESSIONAL COMPETENCE

5.2.1 A Member is expected to provide a level of competent service in keeping with the standards of practice in those fields in which the Member serves.

5.2.2 A Member shall not undertake to provide specialised professional service which is outside the Member's field of competence unless the Member engages the assistance of one who is competent in such discipline or service and such fact should be fully disclosed to the client. Any party engaged to provide such assistance shall be so identified to the client.

5.2.3 A Member employing or contracting any sub-agent shall ensure that such person employed or contracted by the Member or the Member's body corporate is qualified to take the Common Examination for House Agents, is legally permitted to work in Singapore and is a Member or qualify to be a Member of the Institute.

5.2.4 A Member shall keep updated and informed on matters affecting real estate and the real estate market in the Member's area of discipline and shall contribute constructively and responsibly to public thinking on such matters.

- 5.2.5 A Member shall undergo such professional development programmes or courses and attain the standard or level of competency as stipulated or required by the Institute from time to time.
- 5.2.6 A Member shall not directly or indirectly allow or agree to allow participation by any other person or party not being a Member and/or in the real estate agency profession in the profits of the Member's professional work except with the Member's partners, employers, employees and contracted associates.

5.3 ACCURATE REPRESENTATION

- 5.3.1 A Member shall at all times present factual information in advertisements and/or announcements and representations to the public.
- 5.3.2 No advertisement made by any Member should be presented in a manner that may mislead or give an impression that a client or prospect is not required to pay any fee.
- 5.3.3 A Member shall not solicit business by offering inducements or resorting to or employing tactics that have no bearing on the profession.
- 5.3.4 A Member shall not market any real estate by advertising the specific address without authority. A Member shall not display signboards or other forms of advertisement on any real estate without the consent of the owner.
- 5.3.5 A Member shall always ensure that the name of the body corporate, which the Member belongs to, appears in all advertisements the Member places with the media. Printed material must be imprinted with the followings:-
- (i) name of the body corporate the Member belongs to, licence number, address, telephone and/or fax number and the Member's name;
- and (ii) "Category of Member - Institute of Estate Agents";
- and (iii) "Member Firm - Institute of Estate Agents" if the body corporate of the Member is a registered Member Firm.
- 5.3.6 A Member when marketing a real estate in which the Member has ownership interest shall disclose the Member's status as both owner and Member. This shall not include instances when the Member who is the owner does not market the real estate personally.
- 5.3.7 No Member shall attempt to secure listing by advertising in any media under the pretext or creating the impression that the advertiser and/or the Member is the prospect.
- 5.3.8 A Member shall not misdescribe the category of membership or seek to create an impression of association with any category of membership which the Member does not belong to. No Member shall use any

business term, name, initials or acronym that causes confusion between the Member's own business and that of the Institute.

- 5.3.9 Only Members who participate in the transaction as the listing agent or selling agent may claim to have "Sold" the real estate. After closing, a selling agent may display a "Sold" sign only with the consent of the listing agent.
- 5.3.10 A Member stating the number of transactions achieved over a period of time shall take into account co-broking transactions only by dividing such number of transactions by the number of agents involved regardless of whether the co-brokerage is internal or external.
- 5.3.11 A Member stating the value of transactions achieved over a period of time shall take into account the value of co-broking transactions only by dividing such value by the number of agents involved regardless of whether the co-brokerage is internal or external.
- 5.3.12 For the avoidance of doubt in Articles 5.3.10 and 5.3.11 stating the number of transactions or value of transactions shall exclude all abortive transactions.
- 5.3.13 Advertisements and/or announcements made by any Member shall not contain any of the followings:-
- (i) an inaccurate or misleading statement of fact;
 - (ii) an unethical solicitation of instructions;
 - (iii) an explicit comparison between the service offered by a Member with that of other Members;
 - (iv) a claim by a Member to be a "specialist", "consultant" or "expert" in any particular aspect of the Member's work unless the Member is relevantly qualified and/or experienced;
 - (v) No Member shall use the phrase "property consultant", "real estate consultant", "development consultant" or other such similar phrases after the Member's name unless the Member is relevantly qualified and/or experienced.
- 5.3.14 Printed material and all forms of announcement must:-
- (i) Be factual and should not praise the Member's achievements or experience;
 - (ii) Avoid any direct solicitation of instructions, expressed or implied comparison with other Members/Member Firms;
 - (iii) Not contain any offer of inducement to clients, prospects or members of the public;
 - (iv) Not be so designed in respect of wordings, contents, layout and arrangement to ensure that the profession is in no way brought into disrepute and that public confidence in the services provided by Members is not undermined;

- (v) Avoid any description, claim or illustration which is directly or by implication inaccurate or misleading;
- (vi) Not contain any offer of financing or temporary loan with or without interest to clients, prospects or members of the public.

5.4 UNAUTHORISED PRACTICE OF LAW

- 5.4.1 A Member shall not engage in activities that constitute the unauthorised practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it. This article does not include documentation relating to real estate transactions.

6.0 DUTIES TO MEMBERS

6.1 FAIR COMPETITION

- 6.1.1 A Member shall not publicly disparage the business practice of another Member, and if an opinion is sought and the Member deems it necessary to respond, the Member should do so with strict professional integrity and courtesy.
- 6.1.2 A Member shall not seek unfair advantage over other Members and shall conduct business so as to avoid misunderstandings and controversies with other Members.
- 6.1.3 A Member shall not offer, express or communicate to the public any criticism or comment on the professional services, or conduct of, or professional fees charged by another Member.

6.2 PROFESSIONAL ETHICS AMONG MEMBERS

- 6.2.1 A Member shall not engage in any practice or take any action which is inconsistent with good agency practice.
- 6.2.2 Members may make general announcements to real estate owners describing the Member's services even though some owners may have appointed other Members on an exclusive basis. However, printed solicitations must be imprinted in a minimum 8-point-sized the words: "If your real estate is already exclusively listed with another licensed real estate agency, kindly disregard this communication".
- 6.2.3 A Member may contact the client or prospect of another Member for the purpose of offering to provide or entering into a contract to provide a different type of real estate service unrelated to the type of service currently being provided. It is deemed that real estate marketing and real estate valuation and real estate management of individual unit are considered as related services.

- 6.2.4 Where a Member has been exclusively appointed in writing to market a real estate, no other Member shall seek to secure the same listing before the expiry date of the exclusive appointment. For the avoidance of doubt, Members may request for authentication from such exclusively appointed Member. However, if such listing Member, when asked by another Member, refuses to disclose the expiration date and nature of such listing, the interested Member may contact the owner to secure such information and may discuss the terms upon which the Member may take a future listing or may take a listing to become effective upon the expiration of the exclusive listing.
- 6.2.5 When a Member is contacted by the client or prospect of another Member regarding the creation of an exclusive relationship to provide the same type of service and the contacted Member has not directly or indirectly initiated such discussions, the contacted Member may discuss the terms upon which future agreement may be created or may enter into an agreement which becomes effective upon the expiry of any existing exclusive agreement.
- 6.2.6 The fact that a client has retained a Member as the client's exclusive agent in respect of one or more past transactions creates no binding agency which prevents or prohibits other Members from seeking such owner's future businesses.
- 6.2.7 The fact that a listing has been exclusively listed with a Member shall not prohibit any other Member from securing such a listing after the expiry date of the exclusive appointment.
- 6.2.8 A Member shall ascertain, if exclusive marketing right has been awarded to another Member before accepting an appointment (or exclusive appointment) for marketing. In the event that a client or prospect still wishes to give further instructions in addition to the existing exclusive appointment the Member shall not accept such instruction before advising the client or prospect that a concurrent issue of instructions lays the client open to being liable for more than one commission claim.
- 6.2.9 A Member acting for a prospect shall disclose that relationship to the Listing Member at first contact.
- 6.2.10 All enquiries and negotiations concerning a real estate which is listed exclusively shall be carried on with the exclusive agent and not with the client or prospect of the exclusive agent except when the consent of the exclusive agent has been obtained.
- 6.2.11 A Member shall be free with the prospect's consent to market properties which are "open market listed", but shall not obligate the prospect to pay more than one commission except with the prospect's consent.
- 6.2.12 A Member in employment, attached to, associated to or contracted to any body corporate shall not accept professional work for the Member's own account except with the knowledge and consent in writing of such body corporate.

- 6.2.13 A Member shall not, directly or indirectly, solicit the real estate services of an employee or associate in the body corporate of another Member.
- 6.2.14 A Member, prior to or after terminating the relationship with the Member's current body corporate, shall not induce client or prospect of his current body corporate to cancel exclusive contractual agreements between the client or prospect and that body corporate. This does not prevent Members who are principal licensees from establishing agreements with their associated licensees concerning assignability of exclusive agreements.
- 6.2.15 In a co-broking arrangement amongst Members, terms and conditions must be mutually agreed upon in writing before exchange of information in order to avoid any misunderstanding.
- 6.2.16 A Member should not under false pretext seek access to show or inspect a real estate listed by another Member.
- 6.2.17 To avoid any misunderstanding, a Member co-broking with another Member shall not (except with the consent of the Member) offer business card to the co-broking Member's client or prospect even if requested by the co-broking Member's client or prospect to avoid any misunderstanding.
- 6.2.18 A Member obtaining information from another Member about a specific real estate shall not disclose this information to or invite the co-operation of a third party. A Member shall not advertise such real estate for marketing without the written consent of the Member having the exclusive listing.
- 6.2.19 A Member shall observe such Scale of Professional Fees, if any, as may be prescribed by the Institute from time to time.
- 6.2.20 No Member shall knowingly prepare or certify any statement which is false, incorrect or misleading or open to misconception by reason of misstatement omission or suppression of a material fact or otherwise.
- 6.2.21 A Member's name and signature must appear on all written proposals, reports and other documents prepared by the Member wherein the Member's membership status is indicated.
- 6.2.22 A Member shall not use his membership status with the Institute for personal gain.
- 6.2.23 A Member who is also a member of the Council, Mediation Board, Disciplinary Board or Committees, shall not present his status in his own business card.
- 6.2.24 A Member shall not be contracted or work or associate with more than one body corporate dealing in real estate agency and/or related business at any one time.

6.3 DISPUTE AMONG MEMBERS

6.3.1 In the event of a controversy or dispute between Members from different body corporate arising out of the relationship, such Members shall submit the disputes to the Institute's Mediation Board.

6.4 PROFESSIONAL UNDERTAKING

6.4.1 A Member shall not give expert evidence in the Courts or before other judicial bodies if the Member has any financial interest directly or indirectly in the proceedings, other than proper and reasonable fees payable for such services, whilst even a remote interest shall be made known.

7.0 DISCIPLINARY PROCEEDINGS

7.1 A Member shall co-operate with any disciplinary investigation conducted by the Institute and shall take no action to disrupt or obstruct such a process.

7.2 Members shall not make any unauthorised disclosure or dissemination of the allegations, findings, or decisions made in connection with a disciplinary hearing or in connection with a mediation hearing or procedural review.

7.3 Members shall not obstruct any investigative or disciplinary proceedings conducted by the Institute by instituting or threatening to institute actions for libel, slander or defamation against any party in a disciplinary proceeding or the witnesses.

7.4 Members shall not intentionally impede the Institute's investigative or disciplinary proceedings by filing multiple complaints based on the same event or transaction.

8.0 GENERAL CLAUSE

8.1 In addition to this Code all Members shall be governed by the Institute's Constitution, Bye-Laws and laws of the Republic of Singapore that are in force and laws which are enacted by Parliament from time to time concerning the profession and guidelines issued by the Institute and the relevant authorities.