
23 December 2019

Property agent suspended for 10 months and fined \$27,000 for unauthorised alterations of documents to collect additional commissions

CEA's Disciplinary Committee has sentenced property agent George Peh Meng Woon of KF Property Network Pte Ltd to a financial penalty of \$27,000 for three charges of breaches to the Council for Estate Agencies' (CEA) Code of Ethics and Professional Client Care.

2. Peh, 45, also received suspension periods on his CEA registration (as a property agent) to conduct estate agency work for each of the charges. The suspension periods will run concurrently, with the longest being 10 months, and starts today from 23 December 2019.

3. Peh was formerly a property agent with DTZ Property Network Pte Ltd (DTZ) when he committed the breaches. He pleaded guilty to three charges of:

- a) Altering DTZ's "Commission Agreement for Lease (Tenant)" document to a "Property Management Agreement" (PMA) without DTZ's authorisation to disguise and obtain a commission of \$5,140 as "property management fee",
- b) Altering DTZ's commission document to a PMA without DTZ's authorisation to disguise and obtain a commission of \$29,040 as "property management fee", and
- c) Altering DTZ's commission document to a PMA without DTZ's authorisation to disguise and obtain a commission of \$21,699 as "property management fee".

4. Peh's wrongful conduct enabled him to collect additional commissions of \$55,879, on top of co-broking fees of \$8,785.09, from three lease transactions.

In total, he received a sum of \$64,664.09 from these transactions, which was about seven times more than what he would otherwise have received. He also failed to declare the additional commissions to DTZ.

About the case

5. On three occasions between December 2013 and May 2014, three tenants had engaged Peh individually to help them source for suitable properties in Singapore to lease. He brought his clients to view properties, and upon agreeing to lease the properties, the clients each agreed to pay him commission fees.

6. Peh also concurrently asked the three property agents who were each representing a landlord to co-broke the transactions with him, withholding information that he would be collecting commission fees from his own tenant-clients. All three landlords' agents agreed to the co-broke arrangements and signed agreements with Peh.

7. To disguise and obtain the commissions he was receiving from his clients, Peh altered three official DTZ "Commission Agreement for Lease (Tenant)" documents without DTZ's authorisation, and changed them to PMAs instead. In the PMAs, he described the sums he received from his clients as "property management fees" for services rendered in relation to the lease of the properties.

8. For the three lease transactions, Peh received a total sum of \$55,879 as "property management fees" from his clients, in addition to the total co-broking fees of \$8,785.09 received from the landlords' agents with whom he had co-broking arrangements.

9. Peh only declared his co-broking fees to his property agency DTZ, but did not declare the sums received from his clients, thereby failing to act honestly towards DTZ in the conduct of estate agency work.

CEA's charges against Peh

10. Peh pleaded guilty to three charges under paragraph 7(1) of CEA's Code of Ethics and Professional Client Care (CEPCC), under the First Schedule of the Estate Agents (Estate Agency Work) Regulations 2010 of the Estate Agents Act (Cap. 95A). Paragraph 7 states that a property agency or property agent "*shall not do anything that may bring discredit or disrepute to the estate agency trade or industry*".

11. By altering DTZ's official documents without authorisation to disguise and obtain additional commissions from his clients, Peh deliberately planned and premeditated to circumvent the prohibition against the collection of commissions from both landlord and tenant in the same lease transaction. His disreputable behavior resulted in multiple parties being defrauded over a series of different lease transactions. These actions went against the core of his professional duties.

12. The CEA Disciplinary Committee also took into account four other charges against Peh for sentencing. The charges involved the following misconduct:

- a) Failing to declare a commission of \$5,150 to DTZ,
- b) Failing to declare a commission of \$29,040 to DTZ,
- c) Failing to declare a commission of \$21,699 to DTZ, and
- d) Altering DTZ's official document and using the PMA to disguise and obtain a commission of \$10,700 as "property management fee" in a fourth lease transaction.

13. Peh pleaded guilty before the CEA Disciplinary Committee, which sentenced Peh to a total financial penalty of \$27,000 for the three charges, and suspended his property agent registration for six months, 10 months, and nine months respectively for each of the three charges, with the suspension periods to run concurrently.

CEA's regulatory framework

14. The duties, business activities, and conduct of property agencies and property agents in Singapore are governed by the Estate Agents Act and its Regulations, which include the Code of Practice for Estate Agents and the Code of Ethics and Professional Client Care. These are in place to raise the ethical and professional standards of the real estate agency industry and to safeguard consumers' interests.

15. Property agencies and property agents who breach the abovementioned Codes are liable to face disciplinary action by a CEA Disciplinary Committee. The Committee comprises members who are nominated from a [Disciplinary Panel](#), which includes practising solicitors and other professionals from the real estate industry.

Advice to consumers

16. CEA advises consumers who choose to have a property agent to facilitate their rental transaction to note that agents can only represent one party in a single transaction (i.e. either the landlord or the tenant) and not both parties, and the agents cannot collect commissions from both parties in that same transaction. This also applies to sale and purchase transactions.

17. Consumers can report agents whom they suspect to be unprofessional and unethical in property transactions to CEA at 1800-6432555 or feedback@cea.gov.sg. Consumers can visit www.cea.gov.sg/4steps for more information on engaging a professional and effective property agency and agent, and for tips to work harmoniously with a property agent for their property transaction.

About the Council for Estate Agencies

The Council for Estate Agencies (CEA) is a statutory board established in 2010 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 property agencies and register property agents, promote the integrity and competence of property agencies and property agents, and equip consumers with the necessary knowledge to make informed decisions in property transactions involving property agents. For more information, please visit: www.cea.gov.sg.