



**MALAYSIAN ESTATE AGENCY STANDARDS
THIRD EDITION 2020**

**BOARD OF VALUERS, APPRAISERS,
ESTATE AGENTS AND PROPERTY MANAGERS**

RM20.00

INTRODUCTION

The aim of the Estate Agency Standards is to set the required high standards for the professional practice of estate agency services in Malaysia. In this connection, the Standards will aid and elaborate upon the provisions of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Amended 2017) and Rules in so far as they deal with the practice of estate agency practice in Malaysia.

Each Standard deals with a specific topic. Each Standard in turn is in three (3) parts, i.e. the Introduction to the Standard, the Statements of Standard and the Explanations to the Standard.

The Introduction to the Standard sets out the broad purpose of the Standard and encapsulates the essence of the Standard.

The Statements of each Standard comprise the main body of the Standard. It contains the mandatory provisions of the Standard. All Registered Estate Agents and Negotiators are obliged to follow the provisions contained herein. In any disciplinary actions on any Registered Estate Agent, including on any Probationer, the Board will apply the relevant Statement of Standards in conjunction with other provisions of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Amended 2017) and Rules, or on its own.

The non-mandatory Explanations to the Standards serve as elaborations of the Statements of each Standard.

It is hoped that the Estate Agency Standards will go a long way towards creating and maintaining a high standard of professional estate agency practice in Malaysia.

The Standards should not be taken to be exhaustive of all conceivable situations that may arise in practice. Notwithstanding the Standards, all Registered Estate Agents and Probationers should, at all times, act in a manner consonant with the dignity of the profession.

The Standards shall come into force on January 2020 and shall apply to all Registered Estate Agents, Probationers and Negotiators. The Standards will be subject to periodic amendments by the Board.

The previous Malaysian Estate Agency Standards dated 2 June 2014 are herewith repealed and related matters in previous Circulars of the Board are herewith superseded by these Standards.

The President
Board of Valuers, Appraisers, Estate Agents and Property Managers
2 January 2020

CONTENTS

1.	Introduction	1	
2.	Contents Page	2	
3.	Definitions	4	
4.	Core Values	10	
5.	Standards – Statement of Standards		
	Standard 1	The Estate Agency Office	12
	Standard 2	Negotiators	14
	Standard 3	Types of Estate Agency Engagements	18
	Standard 4	Estate Agency Fees	20
	Standard 5	Terms of Engagement	24
	Standard 6	Advertising and Marketing	27
	Standard 7	Co-Agency Practice	30
	Standard 8	Viewing/Inspections	33
	Standard 9	Client's Accounts	35
	Standard 10	Tenancy Administration	38
6.	Forms and Documents	40	
	Listing Fact Sheet		
	The REA's Job Scope and Due Diligence Checklist		
	Exclusive Authorization to Sell		
	General Authorization to Sell		
	Exclusive Authorization to Let		
	General Authorization to Let		
	Authorization to Secure a Property for Acquisition		
	Authorization to Secure a Property for Rent		

Co-Agency Forms

Property Viewing Acknowledgement

Agreement to Purchase

Agreement to Rent

Viewer's Acknowledgement on Properties Inspected

MALAYSIAN ESTATE AGENCY STANDARDS

DEFINITIONS

In these standards, unless the context otherwise requires:-

"Act"

Means the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (as amended)

"Acting for two parties"

Means acting as estate agent for the Vendor (or Landlord/Lessor) and the Purchaser (or Tenant/Lessee), in the same estate agency transaction and in the same, and/or related, associated or affiliated, Estate Agency Firm.

"Advertisement"

Means any material product used in the mass media or electronic media and any published material of any kind whatsoever issued or exhibited by or on the authority of an Estate Agent, primarily designed to promote the Estate Agent's business and professional services.

"Appointment/Engagement"

Means the act of appointing /engaging an estate agency firm by a particular Client.

"Associateship or Affiliation"

Means any business arrangement between two or more parties or firms which leads to the parties or firms having mutual and/or reciprocal interest in their company or firm.

"Binding Contract"

Means a contract, for the sale and purchase, leasing or letting, of a property that is legally enforceable.

"Board"

Means the Board established under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Amended 2017)

"Branch Manager"

Means an estate agent who heads and manages a branch office of a firm on a day to day basis and who at the same time is not in charge of, or manages, any other estate agency office or branch of the firm.

"Client"

Means a person who appoints/engages a firm and is responsible for the payment of the firm's fees in respect of the services rendered by the firm.

"Client's Account"

Means a current or deposit account in the name of the firm at a bank in the title of which account the word "client" appears, or a separate account opened in the name of the person designated in writing by a client over which the firm has power of

withdrawal on the signature of the sole-proprietor or any partner or director of the firm, who is a estate agent, or any other person expressly authorized by the Board.

"Co-Agent"

Means an estate agency firm which introduces a prospective party (Purchaser, Tenant or Lessee) to the Listing Agent to conclude the transaction and share the fees in a pre-agreed formula.

"Commission"

Means remuneration or professional fees earned upon effectively bringing about a certain estate agency transaction to its conclusion and is paid to the Estate Agency Firm/Negotiator.

"Conditional Agreement"

Means an agreement subject to either a condition precedent or a condition subsequent.

"Conflict of Interest"

Means a conflict between an estate agent's obligation to the client and/or to any other party and his self-interest which may likely affect the estate agent's independent judgement.

"Contract"

Means a promise, or set of promises, which the law will enforce.

"Contract of Service"

Means an employment of Estate Agents or Negotiators by an estate agency firm on a full-time basis as provided for in the Employment Act. If any commission is paid, it shall not exceed the amount as prescribed by the Board.

"Contract for Service"

Means an engagement on a contractual basis of Estate Agents or Negotiators on a full-time basis where the commission paid shall not exceed the amount as prescribed by the Board.

"Co-Agency"

Means where the appointed firm which is the Listing Agent enters into an arrangement with another estate agency firm that has a prospective party to conclude the transaction and share the fees in a pre-agreed formula.

"Default"

Means the failure of a person to perform a legal obligation or default arising from any breach of trust, embezzlement, fraud or wrongdoing committed by that person.

"Disclosure"

Means a full declaration made promptly and confirmed in writing at the first available opportunity and "disclose" shall have the same meaning.

"Earnest Deposit/Money"

Means an initial payment made by a prospective party to indicate serious interest in purchasing or renting a property and it may or may not form part of the final agreed

purchase price or rent or security deposit in the case of a tenancy and may be forfeitable depending upon the terms and conditions of the agreement.

"Estate Agency Agreement"

Means any agreement between the client and the firm in respect of a sale, purchase, letting, leasing, and renting or tenancy administration, of a property listing.

"Estate Agency Practice"

Means acting or holding oneself out to the public or to any individual or firm as ready to act, for a commission, fee, reward or other consideration, as an agent, (a) in respect of any sale or other disposal of property; (b) in respect of any purchase or other acquisition of property; (c) in respect of any leasing or letting of property; (d) including making known of the availability of property for such sale or disposal, purchase or acquisition, or leasing or letting referred to in (a), (b), (c) as the case may be; and (e) in respect of any tenancy administration including rental collection, payment of outgoings, arrangement of minor repairs and handing over and taking over the possession of a property.

"Estate Agency Transaction"

Means the process of selling, buying, leasing, letting, renting or tenancy administration, of a property through an estate agent, from the point in time of granting instructions to the estate agent to the point in time where the sale or purchase or letting or leasing or renting is concluded.

"Estate Agent"

Means a person whose name has been entered into Part III of the Register and to whom an authority to practice has been issued by the Board under Section 16.

"Fees"

Means fees prescribed under the Seventh Schedule of the Valuers, Appraisers and Estate Agents Rules 1986.

"Firm"

Means a body corporate, a partnership, a limited liability partnership, or a sole-proprietorship, that is registered under the Act.

"Flyer"

Means a handbill, properly done and distributed with the purpose of promoting the sale or purchase or leasing or letting or renting of a property for which an estate agent has an instruction to sell or buy or lease or let or rent from a Client.

"Forfeiture"

Means the act of forfeiting any deposit be it earnest or security deposit in the event of non-completion of an estate agency transaction.

"Forms"

Means a form set out in "Forms" under the Table of Contents of these Standards.

"Government Tax"

Means the tax imposed by the Government for Goods and/or Services.

"Instructions"

Means the terms and conditions of an estate agency appointment or engagement.

"Lead Agency"

Means this is where any of the various types of estate agency appointments, namely: Exclusive, Sole, Joint or Ad-Hoc Agencies, is engaged by a Developer/Client to market its projects/properties and the appointed agent has been allowed by the Developer/Client to lead the marketing while working with other sub-estate agency firms. The fee arrangement for the sub-agents can either be directly from the Developer/Client or from the Listing Agent.

"Lead Agent"

Means the estate agency firm which has obtained an authority to sell, lease or let Developer/Client units, from the Developer/Client, under the various types of estate agency engagements, namely: Exclusive, Sole, Joint or Ad-hoc Agencies, and has been allowed by the Developer/Client to lead the marketing of the Developer's/Client's project/property while working with other sub-estate agency firms. The fee arrangement for the sub-agents can either be directly from the Developer/Client or from the Listing Agent.

"Listing"

Means the securing from a Client instructions to sell or buy or lease or let or rent out a property.

"Listing Agent"

Means an estate agent who has obtained a listing and has been given the rights to sell or buy or lease or let or rent the property by the Client.

"Marketing"

Means the act of promoting a property or a project so that the public becomes aware of its availability.

"Misrepresentation"

Includes the positive assertion, in a manner not warranted by the information of the person making it of that which is not true, though he believes it to be true; Any breach of a duty which, without intent to deceive, gives an advantage to the person committing it or anyone claiming under him by misleading another to his prejudice or to the prejudice of anyone claiming under him; and causing, however innocently, a party to an agreement to make a mistake as to the substance of the thing, which is the subject.

"Misleading"

Means making a statement that is false or erroneous in any material in particular knowing it to be false or intentionally omitting or authorizing the omission or accession of any matter.

“Multiple Listing”

Means a database of listings held by a group of real estate agency firms which allow other estate agents to work together on a Co-Agency basis.

“Negotiator”

Means a person who is employed or engaged by an estate agency firm as a salesperson to assist him/her in the estate agency practice. A Negotiator shall include Real Estate Negotiators (REN)s and Probationers who shall always be under the immediate direction and supervision of an estate agent.

“Non-disclosure”

Means the omission, suppression or concealment, of material facts, at the point of introduction in the estate agency transaction.

“Option”

Means a right given by the grantor, usually the Vendor/Landlord, to the grantee, usually the Purchaser/Tenant, to purchase/rent the property within a stipulated time in a prescribed manner.

“Part Payment”

Means a payment, which constitutes a portion of the purchase price or rental.

“Personal Interest”

Means a vested interest in a state of affairs usually with an expectation.

“Premium”

Means any additional consideration paid by the Tenant to the Landlord over and above the rent reserved.

“Probationer”

Means a Probationary Valuer and/or Probationary Estate Agent under the Act.

“Probationary Estate Agent”

Means a person who is registered under this Act as a Probationary Estate Agent under S22E of the Act, and whose name has been placed in the Register of Probationers and is employed or engaged by an estate agent to assist the estate agent in the estate agency practice. A Negotiator shall include Real Estate Negotiators (RENs) and Probationers who shall always be under the immediate direction and supervision of an estate agent.

“Probationary Valuer”

Means a person who is registered under this Act as a Probationary Valuer under S17A of the Act and whose name has been placed in the Register of Probationers and is employed or engaged by an estate agent to assist the estate agent in the estate agency practice. A Negotiator shall include Real Estate Negotiators (RENs) and Probationers who shall always be under the immediate direction and supervision of an estate agent.

"Property" or "Properties"

Means any land and buildings, chattels including plant and machinery, joint venture for property development, sale of company, property swaps, etc. and of any interest dealt with therein.

"Prospective Party"

Means a third party who is interested to purchase, rent, let or lease a property which is put into the market by the firm.

"Register"

Register of Valuers, Appraisers, Estate Agents and Property Managers under the Act.

"Register of Probationers"

Register of Probationary Valuers, Probationary Estate Agents and Probationary Property Managers.

"Registered Person"

Means a person whose name is registered under the Parts I-IV of the Register or under the Register of Probationers

"Rent"

Means a payment by a Tenant to the Landlord under the terms of a lease or a tenancy agreement. Such payment may be annually, monthly, weekly or for such period as is otherwise agreed to.

"Rules"

Means the Valuers, Appraisers and Estate Agents Rules 1986.

"Signboard"

Means a board bearing a sign or notice advertising a property.

"Soliciting"

Means to ask for or invite estate agency instructions.

"Stakeholder"

Means a firm which holds the money that has been deposited by a Purchaser or a Tenant for the purchase, or rental, of a property and would be released to the Vendor or Landlord upon completion of all the terms and conditions of the agreement in which the firm claims no interest.

"Sub-Agent"

A sub-agent is an estate agency firm engaged by, and acting under the control of, the lead agent which has obtained an authority to sell, let or lease Developer / Client units and allowed by the Developer / Client to lead the marketing of the Developer's / Client's project or properties. The fee arrangement for the sub-agents can either be paid directly from the Developer/Client or from the Listing/Lead Agent.

"Third Party"

Means any other person who may become linked in some way with a particular estate agency transaction.

CORE VALUES

- 1. Knowledge of and Compliance with the Law**
Estate Agents shall abide by, and be fully conversant with, the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Amended 2017) and Rules 1986, and have a sound knowledge of all relevant laws, statutory provisions and procedures applicable to real estate and real estate agency practice and/or its business activities.
- 2. Continuous Professional Development Program**
Estate Agents shall follow a required program for the continuous systematic maintenance, improvement and broadening of knowledge and skills regarding all laws, proposed legislations, governmental regulations, public policies, current market conditions and matters affecting the real estate agency practice in order to execute their professional and technical duties to their Clients and the public competently.
- 3. Conduct of Registered Estate Agents in safeguarding the best interests of their Clients by acting with Fairness and Integrity**
Estate Agents shall exercise reasonable care in adhering to the principles of fair competition by conducting themselves in an impartial and just manner to all parties involved in an estate agency transaction so as to uphold the professional status and reputation of the profession.
- 4. Provision of quality services with Courtesy, Fairness and Integrity**
Estate Agents are duty bound to render quality services to their Clients with absolute fidelity, and to practice their profession with devotion to the highest ideals of integrity, honour and courtesy, and also to conduct their business activities in the spirit of fairness and goodwill to the Public and to his fellow professionals in the real estate industry.
- 5. Transparency and Accuracy of Statements**
Estate Agents shall exercise a reasonable duty of care to protect the Public against error, fraud, misrepresentation, concealment of pertinent facts and unethical practices in any real estate transaction for which the terms of engagement have been accepted.
- 6. Personal Interests and Relationships to be disclosed**
Estate Agents shall disclose any past, present or foreseeable future interests and/or relationships, either with the Client or the property being transacted, that could lead to, or be construed as, possible conflicts of interest, when accepting any terms of engagement for sale, purchase, let, rent or lease.
- 7. Acting within the Law**
Estate Agents shall, at all times, faithfully observe and perform all their obligations under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Amended 2017) and Rules, and other laws of the land, and comply with every Standard, Directive, Circular, Guideline and decision of the Board.

8. Duties of Real Estate Agent in respect of Real Estate Negotiators (RENs)

Every Estate Agent has a duty to ensure that his/her RENs complies with the Core Values contained herein in so far as the context herein permits.

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 1

THE ESTATE AGENCY OFFICE

1.1.0 INTRODUCTION

- 1.1.1 Estate agency practice is a recognized profession and therefore it is necessary to conduct the operations from a proper office. This is essential in order to provide a high standard of professional service to the public and to prevent the practice of estate agency on a temporary or ad-hoc basis.

1.2.0 STATEMENTS OF THE STANDARDS

- 1.2.1 Every Firm, including every branch or other office of the Firm approved by the Board shall operate from a proper office.
- 1.2.2 Any office or branch office of any Firm must be under the day to day control and management of an Estate Agent unless otherwise allowed by the Board.
- 1.2.3 An Estate Agent shall not permit any other person to carry on the duties and functions of an Estate Agent in his Firm.
- 1.2.4 An Estate Agent shall operate an office or a branch only after obtaining prior written approval from the Board.
- 1.2.5 The Firm may establish a site sales/leasing office where it markets properties for a developer/client for a specific period of time as approved by the Board. The Firm shall not conduct estate agency transactions other than the marketing of the developer's / client's properties from the site sales / leasing office.
- 1.2.6 Where offices or premises are shared by the Firm with another firm/person not registered as an estate agency Firm, the office or premises of the Firm concerned shall be partitioned off, with a separate and distinct entrance from that of the other Firm/person.
- 1.2.7 An Estate Agent shall notify and obtain approval from the Board on any change of address of any office or branch of the Firm at least fourteen days before such change.
- 1.2.8 All offices of the Firm shall have proper signages and shall comply with the following:
 - 1.2.8.1 The name and registration number of the Firm shall be included.

- 1.2.8.2 All signages shall comply with the relevant local authority's by-laws and the Board's Rules
- 1.2.9 Every office and branch of the Firm shall display the practising certificate of the Firm and that of the estate agent managing the office.
- 1.2.10 Every office and/or the branch of the Firm shall maintain proper records and proper accounting system relating to the estate agency practice.
- 1.2.11 Each Firm shall operate and maintain a separate client's account(s) and have adequate professional indemnity insurance cover.
- 1.2.12 It is the responsibility of the Firm to ensure that all its employees, and contractual staff are familiar with the provisions of the Act, Rules, Standards, Circulars and Guidelines and abide by them at all times.

1.3.0 EXPLANATIONS TO THE STANDARD

1.3.1 A proper office is defined as follows:

- 1.3.1.1 It must be located in an area that is deemed appropriate as an office under any Local Government law, by-law, regulation or guideline.
- 1.3.1.2 It must be a business premise or a place that has been approved for commercial use by the relevant authorities.
- 1.3.1.3 It must not be a place of residence such as an apartment, condominium, a temporary place of abode or a house.
- 1.3.1.4 It must not be a temporary site sales office or a property gallery or a project sales office of a particular project.
- 1.3.1.5 Virtual and serviced offices are not considered as proper offices.

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 2

NEGOTIATORS

2.1.0 INTRODUCTION

- 2.1.1 Real Estate Negotiators are salespersons who play a vital role in real estate agency transactions and the manner in which they represent the estate agency firm, and the profession, is important. As such, the estate agent shall ensure that his respective Negotiators are knowledgeable and have the necessary skills, and temperament, to represent all parties to a transaction, in a professional manner.
- 2.1.2 Negotiators shall include Real Estate Negotiators (RENs) and Probationers who shall be under the immediate and direct supervision of their respective Estate Agents.
- 2.1.3 The Board requires the Estate Agent to ensure that his Negotiators conduct the practice of estate agency in full compliance with the provisions of the Act, the Rules, Standards, Directives, Circulars, Guidelines and decisions of the Board.
- 2.1.4 Any offences or wrong-doings committed by Negotiators shall be recorded by the Board in the appropriate Record of Complaints for the Board's, or subsequent hiring estate agency firms', reference and evaluation of the seriousness of such offences/wrong-doings for each respective Negotiator's renewals and/or employment/engagement, respectively.
- 2.1.5 In any disciplinary action(s) against an Estate Agent, a plea in mitigation, founded on the claim that the estate agent was unaware of the wrongful actions of his Negotiator(s) under Estate Agency Practice, will not be accepted by the Board and neither will it be used as a defence by the estate agent. Negotiators may be called in to attend the Complaint Investigation Committee (CIC) inquiries.
- 2.1.6 The Board reserves the right to cancel, suspend or refuse certification to any REN, or registration to any registered person(s), based on grounds of non-compliance to any provisions of the Act, the Rules, Standards, Directives, Circulars, Guidelines and decisions of the Board.

2.2.0 STATEMENTS OF THE STANDARDS

- 2.2.1 Negotiators are salespersons, employed or engaged, by estate agency firms, to assist the respective Estate Agent(s), in the conduct of estate agency practice, to carry out their Client's instruction(s):-

- 2.2.1.1 To list, market and negotiate, the terms and conditions of sale, purchase, let or lease properties; and/or
- 2.2.1.2 To assist prospective parties to procure, rent or lease properties; and/or
- 2.2.1.3 In respect of any tenancy administration, including rental collection, payment of outgoings, arrangement for minor repairs and handing over and taking over the possession of any property for which the estate agency firm has been engaged; and
- 2.2.1.4 To conclude the transaction(s) in a professional manner.

2.2.2 An Estate Agent shall:-

- 2.2.2.1 Maintain a register of his Negotiators including latest details such as their mobile phone numbers, dates of employment/engagement by the estate agency firm and dates of their certification (RENS) / registration (Registered Persons) by the Board and/or dates of their termination of services by the estate agency firm; and
- 2.2.2.2 Ensure that the Negotiators and Registered Persons (if any), employed or engaged under him, must be registered with the Board via the estate agency firm, whereby the Board shall issue to the Negotiators their respective REN Tags, or Registered Persons their respective Authority Cards, which must be worn by the Negotiators and Registered Persons at all times during the course of conducting estate agency practice; and
- 2.2.2.3 Ensure, at the point of hiring that:-
 - 2.2.2.3.1 He does not employ/engage more than the number of Real Estate Negotiators (RENS) prescribed by the Board; and
 - 2.2.2.3.2 His Negotiators shall be employed or engaged on a full-time basis and work for only one estate agency firm, either on an employment agreement (Contract of Service) or an a contractual agreement (Contract for Service); and
 - 2.2.2.3.3 Foreigners, if any, shall have a valid work permit before they can be employed/engaged by the estate agency firm

- 2.2.2.4 Ensure that his Negotiators work only under his direct supervision; and
 - 2.2.2.5 Ensure that the commission payable to his Negotiators shall not exceed the maximum prescribed by the Board;
 - 2.2.2.6 Provide adequate training to his Negotiators to have the competency and skills to represent the firm professionally in order to ensure their display of positive characteristics in dealing with the public; and
 - 2.2.2.7 Ensure that if he engages any Negotiators who have left their previous estate agency firm(s), he must apply afresh to the Board with the prescribed fees using the prescribed form(s); and
 - 2.2.2.8 Ensure that his Negotiators, whose services have been terminated by their estate agency firm or, who wish to leave their estate agency firm, shall surrender their REN Tags/Registered Person's Authority Card to their respective estate agency firm and the Board shall be notified in writing of such termination/resignation; and
 - 2.2.2.9 Notify the Board of any changes, in his Negotiators' personal details including their mobile numbers and/or in the status of his Negotiators' employment/engagement, within two (2) weeks from the date of such occurrence.
- 2.2.3 An Estate Agent shall ensure that his Negotiators negotiating on behalf of the estate agency firm:-
- 2.2.3.1 Do not sign any contractually binding documents on behalf of the estate agency firm including the offer letter, engagement letter, co-agency letter and flyers; and
 - 2.2.3.2 Shall be adequately acquainted with all material facts of the property in discussion; and
 - 2.2.3.3 Do not place signages on properties that are not listed with the estate agency firm, or in any undesirable places; and
 - 2.2.3.4 Do not misrepresent on the nature of the estate agency firm's engagement of the properties listed including advertising as exclusive agent(s) on signages and in other marketing material; and
 - 2.2.3.5 Do not, when offering a property for sale, purchase, let or lease, quote a listing price different from that agreed upon with the Client; and

- 2.2.3.6 Shall furnish to their prospective parties information pertaining to the property, including the probable length of the transaction; and
 - 2.2.3.7 Who have any interest, direct or indirect, in any property that is listed with the estate agency firm must immediately disclose his interest in the property to the estate agency firm and to the Client or the Prospect; and
 - 2.2.3.8 Shall avoid anything that may tend to mislead a party not represented by them.
- 2.2.4 Whilst Negotiators may perform some or all of the necessary negotiations in an estate agency transaction, an Estate Agent shall remain responsible to his Clients for carrying out their estate agency instructions.

2.3.0 EXPLANATIONS TO THE STANDARD

- 2.3.1 The Standards make it clear that at all times Negotiators shall assist Estate Agents in estate agency practice and shall be under the direct control and supervision of Estate Agents.
- 2.3.2 These amended Standards supersedes the Board's previous Circulars namely Circular 10/95, Circular 11/96 and Circular 2/98.
- 2.3.3 Circular 1/2013 – Mandatory Salary Requirements

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 3

TYPES OF ESTATE AGENCY ENGAGEMENTS

3.1.0 INTRODUCTION

- 3.1.1 It is important for the Client, the Estate Agent and any other related third party to be aware of the different types of Estate Agency Engagements under which properties are listed, sold, purchased, let or rented through estate agents.
- 3.1.2 It is equally important that the type of Estate Agency Engagement is agreed between the estate agent and the Client prior to the Estate Agency Engagement.

3.2.0 STATEMENTS OF THE STANDARDS

- 3.2.1 Before executing the Letter of Engagement, the Estate Agent shall take reasonable steps to explain and acquaint the Client with the types of estate agency engagements and amplify on the differences between the various types of Estate Agency Engagements including its implications and repercussions.
- 3.2.2 Before accepting an engagement as an exclusive or sole agent, the Estate Agent shall enquire from the Client confirmation as to whether there is any current exclusive or sole agency engagements executed with other firms.
- 3.2.3 An Estate Agent upon becoming aware of an exclusive or sole agency engagement of another firm shall work on a co-agency basis in respect of that property with the exclusive or sole agent and not with the client for the duration of the engagement.
- 3.2.4 When an engaged firm (Listing Agent) enters into a Co-Agency arrangement with the Firm that is not engaged (Co-Agent), the engagement terms of the listing firm (Listing Agent) shall be respected by the other Firm.
- 3.2.5 Any listings secured through Co-Agency shall not be passed to another Firm or its branches or subsidiary without the consent of the listing Firm.
- 3.2.6 The acceptance of an exclusive or sole agency place upon an Estate Agent the strongest obligation to render estate agency services to the expectations of the Client.

3.3.0 EXPLANATIONS TO THE STANDARD

3.3.1 Estate Agency Engagements are governed by the Principal-Agent relationship under the Contracts Act 1950 and it is therefore important for Estate Agents and Negotiators to understand their respective obligations under the Law of Agency.

3.3.2 For the purposes of 3.2.1 "reasonable steps" means that at a minimum the firm must explain to the Client the differences between the various types of agency engagements and its implications.

3.3.3 The various types of Estate Agency Engagements are as follows:

3.3.3.1 EXCLUSIVE AGENCY

This refers to the instruction from a Client to a single firm to act on his behalf. The Client may make introductions and will leave the closing of the transaction to the firm. The Client must pay the appointed estate agency firm the agreed fees even if the firm was not the effective cause of the transaction after having carried out his due obligations and responsibilities as an Estate Agent.

3.3.3.2 SOLE AGENCY

In a sole agency engagement, a single estate agency firm is engaged. The Client may, however, wish to reserve the right to market and conclude the deal himself without the services of estate agency firm. In this instance, the Client and the appointed sole agent shall agree on the fee based on a pre-agreed formula.

3.3.3.3 JOINT AGENCY

This is where more than one estate agency firm is engaged and only the estate agency firm that closes the deal gets paid. The number of firms appointed is limited and each is aware of the engagement of the others.

3.3.3.4 AD HOC BASIS or commonly referred to as "Open" Listing

The Client may engage an unlimited number of estate agency firms on an ad hoc basis and fees are paid only to the estate agency firm which has successfully concluded the estate agency transaction

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 4

ESTATE AGENCY FEES

4.1.0 INTRODUCTION

- 4.1.1 Estate Agency fees, are based on the Seventh Schedule of the Rules
- 4.1.2 In addition to the fees, the estate agent is entitled to claim, again in accordance with the Seventh Schedule of the Rules, disbursement charges such as the costs of printing, plans, copies of documents, lithography, travelling, other expenses actually incurred, cost of media advertisements, signboards, brochures and other promotional materials.
- 4.1.3 Estate Agency comes under the Law of Contract and estate agency fees, plus all disbursements, are generally dependent upon the agency agreement between the firm and the Client, subject to the Seventh Schedule. It is thus important for the estate agent to always obtain written instructions from the client before commencement of the estate agency assignment.

4.2.0 STATEMENTS OF THE STANDARDS

- 4.2.1 The first rule in so far as estate agency fees, plus all disbursements, are concerned is that it depends upon the terms and conditions of the agreement between the firm and the Client.
- 4.2.2 Where there is no agreement, written or otherwise, between the firm and the client, then the fees, plus all disbursements, are generally due upon the creation of a binding contract between the parties to the estate agency transaction.
- 4.2.3 If the Sale and Purchase agreement or Tenancy/Lease agreement is unconditional, the estate agency fees, plus all disbursements, are due upon the signing of the Sale and Purchase agreement or Tenancy/Lease agreement.
- 4.2.4 Where the Sale and Purchase agreement or Tenancy/Lease agreement is conditional, the estate agency fees (excluding disbursement) are due when the last of the conditions are met i.e. when the agreement becomes unconditional.
- 4.2.5 Notwithstanding 4.2.4, the firm and the Client may agree to vary from the general rule provided that the Client has given prior written consent to agree to such specific terms and conditions on when the estate agency fees, are due. Such an agreement is subject to the firm having

first explained to the Client the legal implication if the condition(s) precedent is (are) not met and terms of appointment shall be explicitly and clearly stated that despite the completion of the sale is subjected to certain condition(s), the estate agency fees are due even without fulfilment of that stated condition(s) or part thereof.

- 4.2.6 If the Client to the firm aborts the deal either after the signing of an unconditional Sale and Purchase Agreement or Tenancy/Lease agreement or after a conditional agreement becomes unconditional, then the firm is entitled to the full estate agency fees plus all disbursements.
- 4.2.7 If the other party to the deal aborts, and the Client to the firm forfeits the deposit, before the signing of the Sale and Purchase Agreement or the Tenancy/Lease agreement, the firm is entitled to claim 50% of the full fees, or 50% of the forfeited deposit, whichever is the lower, plus all disbursements.
- 4.2.8 Where Earnest or rental deposit is paid and accepted by the Client and subsequently the transaction is aborted by the Client, before the signing of the Sale and Purchase agreement or the Tenancy/Lease agreement, where in the lease/letting occupation has not taken place, the firm is entitled to 50% of its full fees, or 50% of the earnest or rental deposit, whichever is lower plus all disbursements.
- 4.2.9 Where a firm has been appointed/engaged and has been given an Exclusive Agency, the firm is entitled to its fees, plus all disbursements, if any introduction made during the period of its engagement leads to a successfully concluded sale or letting after the expiry of the engagement, provided always it is within a reasonable period of time and the firm has records of written communication with its client where the client is aware of the introduction of the prospective party during the period of engagement.
- 4.2.10 Where an Exclusive Agency has expired it is necessary for the firm to obtain a fresh engagement from its Client as the previous engagement cannot be automatically renewed.
- 4.2.11 The computation of fees payable, including for Rent Reviews/Renewal, plus all disbursements, for any transaction shall be as per the Seventh Schedule of the Rules.
- 4.2.12 The firm may only deduct its fees, plus all disbursements (subject to 4.2.4), from the earnest deposit or rental deposit from its client's account after the parties have signed the Sale and Purchase or Tenancy/Lease agreement provided always that it is an unconditional agreement and the Client has given prior written consent.

- 4.2.13 The firm may only deduct its fees, plus all disbursements (subject to 4.2.4), from the earnest deposit or rental deposit from its client's account after the parties have signed the Sale and Purchase Tenancy/Lease agreement provided always that it is an unconditional agreement and the Client has given prior written consent.

4.3.0 EXPLANATIONS TO THE STANDARD

- 4.3.1 Statement 4.2.1 would be in line with the common law of agency.
- 4.3.2 A binding contract is when an unconditional sale and purchase agreement, or a tenancy/lease agreement, has been signed; or where the Sale and Purchase agreement, or a Tenancy/Lease agreement is conditional, when the last of the conditions are met, i.e. when the agreement becomes unconditional.
- 4.3.3 The term Agreement referred to in item 4.2.3 and inferred to in item 4.2.4 includes a written agreement to enter into a contract.
- 4.3.4 An example of an unconditional agreement is where no approvals are required from the State Authorities, State EXCOs, Securities Commission, shareholders or other relevant authorities or bodies.

4.3.5 Determining Sales Consideration

In determining the fees for any sales which are not explicitly stated the following shall apply:-

- a) The firm shall be entitled to claim for fees based on the total sales consideration (in cash, company shares or in kind) which shall include sums paid for all assets and chattels including furniture, fittings and household appliances.
- b) In the case of a property swap, the sales price shall be based on the agreed consideration or the market value, whichever is higher.
- c) In the case of a joint venture, share or equity swap, the fees shall be based on the market value of the property or the joint venture, share or equity swap consideration, whichever is higher at the date of the signing of the joint venture.

4.3.6 Determining Rent

- a) The term rent refers to the gross rent which is inclusive of:-
 - i) service / maintenance charges
 - ii) furniture, fittings and household appliances that are rented together with the property
- b) First year's rent refers to the first 12 month's rent receivable by the landlord disregarding any rent-free period

- c) Where a premium is payable under the letting or lease, the amount of the pro-rated premium shall be added to the rent for determining the fee payable.

4.3.7 For the purposes of Item 4.2.5, the example of the terms:-

- i) "The estate agency fees is due upon signing of the Sale and Purchase Agreement although the completion of the sale is subjected to the State Authority's consent on the transfer of ownership."
- ii) "The estate agency fees is due on fulfilment of Condition 1, 2 & 5 but excluding Condition 3, 4 & 6 of the List of Condition Precedents. "

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 5

TERMS OF ENGAGEMENT

5.1.0 INTRODUCTION

- 5.1.1 The terms of engagement given by the Client to an estate agency firm dictate the scope of its authority and it is therefore important that such terms are precise in language and should never be ambiguous.
- 5.1.2 Upon receiving the terms of engagement the Firm is obliged to provide the Client with the required services as stipulated therein. The Firm shall take all reasonable steps to ensure pertinent facts concerning the property are well within its knowledge.

5.2.0 STATEMENTS OF STANDARD

- 5.2.1 Estate agency engagement can be either verbal or written. However, the Firms are encouraged to obtain written terms of engagement.
- 5.2.2 Terms of engagement can either be in the form of written terms and conditions from the client or in the form of written confirmation of agreed terms and conditions by the Firm.
 - 5.2.2.1 A "written terms and conditions from the Client" refers to a formal and signed letter or document from the Client to the estate agency firm;
 - 5.2.2.2 A "written confirmation of agreed terms and conditions by the Firm" on the other hand refers to a formal letter or document from the estate agency firm sent to the Client and confirmed by the Client.
- 5.2.3 The Estate Agent's engagement shall clearly state the Firm's name, a clear identification of the subject property, the terms and conditions of the engagement and the intended transaction.
- 5.2.4 Subsequent to the agreement on the terms and conditions of the engagement and the intended transaction, should there be any variations to the said terms and conditions, such variations shall be agreed upon by the Client.
- 5.2.5 All estate agency firms are encouraged to use the Board's standard forms.
- 5.2.6 In line with Rule 97, and when obtaining the terms of engagement from the Client, the estate agency firm shall not, where another estate

agency firm has been exclusively engaged or engaged as a sole agent, as evidenced by a signboard or any other form of advertisement in any media referring specifically to the property:-

- 5.2.6.1 Solicit for the same business; or
- 5.2.6.2 Accept terms of engagement without written confirmation from the Client that the Client has not engaged any other estate agency firm on an exclusive or sole agency basis.
- 5.2.7 All firms are encouraged to obtain exclusive agency appointments in writing from the Client whenever possible and to point out clearly to the Client each party's rights and responsibilities arising out of the arrangement.
- 5.2.8 All agency engagements shall specify the period of validity of the engagement.
- 5.2.9 An estate agent must not directly harass any person in order to gain instructions and neither shall he/she repeatedly try to gain instructions in a way likely to cause offence or annoyance to the person.
- 5.2.10 If the Client withdraws his terms of engagement of the firm, the firm must advise the Client of any circumstances in which the Client may have to pay more than one fee and the probability of any continuing liability on the Client.
- 5.2.11 An Estate Agent shall not give an opinion of value of a property in order to obtain an engagement. An Estate Agent is only allowed to furnish the selling price based on a competitive market analysis of transacted values in the area or as evidenced in the JPPH / NAPIC reports.

5.3.0 EXPLANATIONS TO THE STANDARD

- 5.3.1 Rule 97 reads:-
"A registered estate agent shall not engage in any practice or take any action inconsistent with the agency of another Estate Agent"
- 5.3.2 Written terms of engagement can either be in the form of "a written terms of engagement from the Client" or "written confirmation of the terms of engagement by the Estate Agent".
 - 5.3.2.1 "A written terms of engagement from the Client" refers to a formal and signed letter or document of engagement from the Client that is addressed and communicated to the Estate Agent, and
 - 5.3.2.2 "A written confirmation of the terms of engagement by the Estate Agent" on the other hand refers to a formal and signed letter or document that is prepared by the estate agent and

sent to the Client and confirmed by the Client as to the agreed terms and conditions.

5.3.3 Terms and conditions of engagement refers to the agreed terms and conditions appointing the Estate Agent whilst terms and conditions of the transaction refers to the agreed terms and conditions upon which the property will be purchased, sold, secured for rent or lease or let.

5.3.4 For the purposes of item 5.2.9, the term "harass" means acting in a threatening or oppressive manner likely to cause alarm, annoyance and/or distress.

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 6

ADVERTISING AND MARKETING

6.1.0 INTRODUCTION

- 6.1.1 Advertising the property for sale, purchase, letting or renting is an important aspect of the work of an estate agency firm and this aspect of the work requires essentially that the advertising is done tastefully, professionally, with no misrepresentation and must not mislead the public as to the facts of the property.
- 6.1.2 Estate Agents should recognize that the profession needs to maintain its goodwill with the public and it is imperative not to do harm to the profession by advertising in an unbecoming manner or without good taste.

6.2.0 STATEMENTS OF THE STANDARDS

- 6.2.1 An Estate Agent must ensure that advertisements and public statements shall not bring the profession into disrepute and that they are responsible, accurate and not sensational in content.
- 6.2.2 Any form of advertisement in any media, whether in the mass media, electronic, digital or mobile media, shall comply with the following conditions:-
- 6.2.2.1 The advertisement shall contain:-
- 6.2.2.1.1 The name, registration number and office telephone number of the estate agency firm;
 - 6.2.2.1.2 The name, mobile number and certification/registration number of the REN/registered person, respectively; all of which shall be prominently displayed; and
 - 6.2.2.1.3 No comparative or superlative description of the estate agency practice;
 - 6.2.2.1.4 No claims by the advertiser to be an expert in any specialized field; and
 - 6.2.2.1.5 Publish information which is factual.

- 6.2.3 All forms of advertisements, announcements or felicitations in any media shall comply with the conditions as stated in 6.2.2 above, with the exception of newspaper advertisements which shall contain at a minimum the registration and office telephone number of the estate agency firm; and the certification/registration number of the REN/registered person; all of which shall be prominently displayed.
- 6.2.4 The Estate Agent shall take all reasonable steps to ensure that advertisements placed by him to promote the sale, purchase, letting, leasing, renting and/or tenancy administration of a property are:-
- 6.2.4.1 Accurate and factual;
 - 6.2.4.2 Tasteful;
 - 6.2.4.3 Not written in glowing terms which overstate the virtues of the property; and
 - 6.2.4.4 Not misleading.
- 6.2.5 Advertisements should be placed in proper places and as allowed by the relevant authorities.
- 6.2.6 The Estate Agent shall only replace, or remove, another estate agency firm's signboard from any property provided always he has the written consent of the Client and has duly communicated this information to the other estate agency firm via a letter.
- 6.2.7 Flyers are permitted under the following conditions:-
- 6.2.7.1 The contents in any flyer shall specify the type of property for sale / rental / lease or wanted; and
 - 6.2.7.2 The flyers shall contain:
 - 6.2.7.2.1 The name, address, registration number and office telephone number(s) of the estate agency firm;
 - 6.2.7.2.2 The name, mobile number(s) and certification/registration number of the REN/registered person, respectively;
- 6.2.8 Any estate agency firm teaming up with foreign developers, estate agents or owners to sell foreign properties must ensure that they comply with the following conditions whereby the local estate agency firm must:-
- 6.2.8.1 Have adequate knowledge of the property and the foreign country's framework of real estate law and practice before it accepts the assignment;
 - 6.2.8.2 Obtain written permission from the Board before the sale or marketing of the foreign property, whereby each such

permit to sell foreign properties shall be valid for a minimum period of six (6) months for any location(s) in Malaysia;

- 6.2.8.3 Prominently display the approval number given by the Board in all advertisements;
- 6.2.8.4 Be accorded due prominence in all advertisements;
- 6.2.8.5 Play a major role by actively participating in the transaction and ensure that its local sales assistants shall be present at any of the specified locations in Malaysia during the promotional period of the foreign properties;
- 6.2.8.6 The minimum fee chargeable is 2% of the sale price.

6.3.0 EXPLANATIONS TO THE STANDARD

- 6.3.1 Factual advertisements can have modern marketing aspects.
- 6.3.2 Should not overstate/oversell the property means basically that the firm should, with the use of as few words as possible paint a word picture of the advantages to be gained by owning a particular property.
- 6.3.3 Immediately means as soon as it is reasonably practical in the circumstances.
- 6.3.4 A cardinal principle is the need for care and accuracy on the firm's part, in what it says and what it writes, not only to be true but not to be misleading by being incomplete or biased on the particular subject and if it is in doubt to leave it out.
- 6.3.5 The firm should consider it worthwhile, as a precaution, sending draft particulars to the clients and asking them to advise them urgently if they have reason to believe that any statement is inaccurate or misleading.

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 7

CO-AGENCY PRACTICE

7.1.0 INTRODUCTION

- 7.1.1 Co-Agency is a co-operating agreement between a Listing Agency Firm (or Listing Agent) and a Co-Agency Firm (or Co-Agent) which introduces a prospective party in the sale / rental or leasing of a property.
- 7.1.2 The terms and conditions of the working relationship between both parties are to be specified clearly. Similarly the fees chargeable by each party are also pre-agreed upon.

7.2.0 STATEMENTS OF THE STANDARDS

- 7.2.1 Both the co-operating Firms have to agree in writing on the terms of the co-agency arrangement before the commencement of any work.
- 7.2.2 All Co-Agency agreements shall have an expiry date decided by the Listing Agent. The co-agency agreement will terminate at the expiry of the Co-Agency period or on the expiry of the listing or on mutual agreement between the co-operating Firms.
- 7.2.3 The Co-Agency firm is not permitted to solicit for the same agency appointment that is the subject of the co-agency agreement during the period of the co-agency agreement.
- 7.2.4 In a co-agency arrangement, the earnest deposit paid by the prospective party may be collected by either the Listing Agent or the Co-Agent. However, only the party authorized by the Client to be the rightful appointed Stakeholder shall HOLD the Earnest Deposit; unless otherwise agreed in writing by the Client. The rights of the Listing Agent shall be respected.
- 7.2.5 The standard fee shared between the Listing Agent and the Co-Agent shall be in the ratio of 50:50 percent unless otherwise agreed in writing between both the co-operating firms.
- 7.2.6 Any variations from the 50:50 percent standard fee sharing aggregate shall be agreed upon in writing between the Listing Agent and the Co-Agent. Similarly, where a transaction is aborted, a 50:50 percent (%) split of the abortive fee or forfeited amount applies i.e. 50% to the Client, 25% to the Listing Agent and 25% to the Co-Agent.
- 7.2.7 Co-Agency agreements can be initiated by either party and shall be signed by the respective estate agency firm's Estate Agents.

- 7.2.8 All details pertaining to the property, the Earnest Deposit, the fee, inclusive of when the Listing Agent gets paid, and the mode of payment by the Client, shall be disclosed by the Listing Agent to the Co-Agent upon entering into a Co-Agency arrangement.

7.3.0 EXPLANATIONS TO THE STANDARD

7.3.1 The listing firm shall:-

- 7.3.1.1 Ensure that any viewings, correspondences or dealings with the property has to be through the listing firm;
- 7.3.1.2 Ensure that the Co-Agency firm is paid the agreed fees promptly when due;
- 7.3.1.3 Not to contact the Co-Agent's prospects without the Co-Agent's consent and knowledge;
- 7.3.1.4 Keep the Co-Agency firm informed of the progress of the negotiation / transaction; and
- 7.3.1.5 Endeavour to take all necessary steps to collect outstanding fees as soon as possible.

7.3.2 The Co-Agency firm shall:-

- 7.3.2.1 Ensure that any viewings, correspondences or dealings on the property shall go through the Listing Agent;
- 7.3.2.2 Keep the listing firm informed on the progress of the transaction;
- 7.3.2.3 Not advertise or promote the property under the co-agency agreement unless otherwise agreed upon by the listing firm;
- 7.3.2.4 Not contact the Listing Agent's Client directly whilst the co-agency arrangement is still in force;
- 7.3.2.5 Not put up its own signboard on the property which is under the co-agency arrangement unless otherwise agreed upon by the listing firm; and
- 7.3.2.6 If the listing firm has already shown the property to the spouse, employee, proxy, nominee or any representative of the prospective buyer/tenant, procured by the Co-Agent, then the Co-Agent shall not be entitled to the agreed fee, unless the identity of name of the spouse, employee, proxy, nominee or any representative of the

prospect has been disclosed to the Listing Agent in the first instance.

7.3.3 For the purposes of the treatment of the earnest deposit under clause 7.2.4 the following shall apply:-

7.3.3.1 The earnest deposit shall be transmitted or remitted to the Listing Agent's Client, or to the Client's authorized Stakeholder, and/or with the authorization of the Client be treated as part of the professional fee payable to the Listing Agent upon the successful conclusion of the co-agency transaction; the fees of which shall then be shared with the Co-Agent in the amounts, and manner, as stated in 7.2.5 or in 7.2.6.

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 8

VIEWINGS /INSPECTIONS

8.1.0 INTRODUCTION

- 8.1.1 Viewing refers to the inspections of the property by the prospective parties before buying or renting a property.
- 8.1.2 Under the Law of Agency the agent must promote the interest of the Client. The Board additionally requires that this promotion of the client's interest is to be applied in fairness to all parties.

8.2.0 STATEMENTS OF THE STANDARDS

- 8.2.1 The Estate Agent shall not, without first obtaining the approval of the Client, place any form of advertisement of, or advertise the property "For Sale", "To Let" or "To Lease".
- 8.2.2 Upon commencing an instruction the firm should entertain queries regarding the property from any prospective party.
- 8.2.3 An Estate Agent shall not make any factually unsupportable statement of the property listed for sale, purchase, letting or renting.
- 8.2.4 The Estate Agent is encouraged to:
 - (a) Use a Listing Fact Sheet, or an equivalent document, to record the details of each listing including the terms and conditions of sale/letting/lease and/or the inventory list if applicable, and to update it accordingly as and when required; and
 - (b) Use a Property Inspection and Disclosure Form, or equivalent document, to record and disclose the pertinent facts of the property to the prospect(s) and to obtain the acknowledgement of the prospect(s) having been made known of the pertinent facts; and
 - (c) Document every viewing engagement by using a Viewing Form, preferably the Board's Standard Viewing Form, and have it signed by the prospect(s).
- 8.2.5 The Listing Agent is encouraged to be present during all viewings/inspections, including in cases of co-agency.
- 8.2.6 In cases of Co-Agency, the viewings and due documentation of the property must at all times be with the knowledge and under the overall supervision of the Listing Agent.

8.2.7 The Estate Agent shall be fair, and just, to all parties in negotiations and in drafting or assisting in drafting of all letters, forms and agreements.

8.2.8 An Estate Agent, unless he is a registered valuer, shall not communicate in writing or verbally to any person, an opinion on the value of a property, as it may be construed as a formal valuation within the meaning of the provisions of the Act and the Rules.

8.3.0 EXPLANATIONS TO THE STANDARD

8.3.1 Standard 8.2.1 should rid of the profession of "poster wars" that is the bane of the profession at present.

8.3.2 Standard 8.2.4(c) encourages that in every property inspection, a record of the details of viewing by prospective parties is available.

8.3.3 An example of a factually unsupportable statement in Standard 8.2.3 would be where the Estate Agent represents that the adjacent land is for open space whereas this statement was made without adequate knowledge or without checking with the relevant authorities.

MALAYSIAN ESTATE AGENCY STANDARDS

STANDARD 9

CLIENT'S ACCOUNTS

9.1.0 INTRODUCTION

- 9.1.1 All Estate Agents by the very nature of their practice hold money belonging to other people. It is therefore mandatory that there should be Standards dealing with the estate agents' accounts and the handling of Client's money. The purpose of maintaining a Client's Account is to ensure that monies entrusted to registered persons are properly recorded in the accounts maintained and monitored by the Firm.
- 9.1.2 The fiduciary duties of the Estate Agent are matters the Board views very seriously. Accordingly, breach of the Act, Rules and Standards in respect of fiduciary obligations will be dealt with severely by the Board.

9.2.0 STATEMENTS OF THE STANDARDS

- 9.2.1 The Estate Agent shall keep at least one Client's Account.
- 9.2.2 Every Estate Agent who receives client's money shall without delay pay such money into the Client's Account upon the Client's acceptance of the other party's offer to sell/purchase/let or lease, unless otherwise agreed with the Client.
- 9.2.3 The Estate Agent shall not be obliged to pay into a Client's Account monies held or received by them:-
- 9.2.3.1 in the form of cash and which is without delay paid in cash, in the ordinary course of business, to the Client or a third party authorized by the Client; or
 - 9.2.3.2 in the form of a cheque or draft, which in the ordinary course of business, is payable to the Client or a third party authorized by the Client.
- 9.2.4 The Estate Agent shall only withdraw monies from the Client's Account in the circumstances as laid down in Rule 53.
- 9.2.5 Every Estate Agent who maintains an interest bearing Client's Account, shall account to such Client for the interest earned by such an account.
- 9.2.6 Every Estate Agent shall have an insurance cover for the Client's money.

- 9.2.7 The Estate Agent shall once in each period of 12 months deliver to the Board an auditor's report issued by a firm of registered professional auditors.
- 9.2.8 The Estate Agent must be able to account for all monies held on behalf of a Client.
- 9.2.9 The Estate Agent shall not deduct any estate agency fees, cost or charges from any Client's money unless the Client has given written consent to do so.
- 9.2.10 No monies shall be drawn from a Client's Account except by a cheque drawn in favour of the vendor, purchaser, landlord or tenant or any other party as duly authorized by the Client.
- 9.2.11 A firm having two or more places of business (i.e. branches or subsidiary companies) shall produce:-
- 9.2.11.1 Separate certificates for separate accounting periods and the auditor's report may be adopted in respect of each place of business; and
 - 9.2.11.2 The auditor's report(s) for each year shall cover all Client's money held or received by the estate agency firms.
- 9.2.12 No sum shall be transferred from the account of a Client to that of another except in circumstances in which it would have been permissible under the Rules to have withdrawn from a Client's account the sum transferred from the first Client and to have paid into a Client's accounts the sum transferred to the second Client.
- 9.2.13 Every signatory to a Client's account must be one or more of the following:
- 9.2.13.1 An Estate Agent in the case of a sole proprietorship; or
 - 9.2.13.2 A partner in a case of the partnership who is a registered person; or
 - 9.2.13.3 A director in the case of a body corporate who is a registered person; or
 - 9.2.13.4 In exceptional circumstances, a person not falling within 9.2.13.1 – 9.2.13.3, who is expressly authorized by the Board.
- 9.2.14 The Board may appoint any registered estate agent to operate the Client's Account of a deceased Estate Agent who had operated as a sole proprietor.

9.3.0 EXPLANATIONS TO THE STANDARD

- 9.3.1 **Client's money and the operating account of the agency firm shall be kept separate.**
- 9.3.2 Without delay means within a short a period as is reasonably practicable in the circumstances from the moment from what is to be done can reasonably be done.
- 9.3.3 A register of all Client's Accounts must be maintained. These accounts and records must be such as to show in any particular case:-
- 9.3.3.1 The amount received;
 - 9.3.3.2 The name and address of the payer;
 - 9.3.3.3 Whether the sum received is a contract or pre-contract deposit and in any case, whether it includes any sum in respect of a connected contract;
 - 9.3.3.4 The capacity in which the sum is received;
 - 9.3.3.5 Where different from 9.3.3.4 above, the identity of the person for whom the sum is being received;
 - 9.3.3.6 Date of receipt.
- 9.3.4 Adequacy of cover means if a claim is made against the firm the insurance must be sufficient to meet the said claim.

ESTATE AGENCY STANDARDS

STANDARD 10

TENANCY ADMINISTRATION

10.1.0 INTRODUCTION

- 10.1.1 The role of the Estate Agent may include tenancy administration which involves the effective management of landlord tenant relationship and the associated management functions to ensure that a property is able to provide tenants with a level of customer orientated services and satisfaction enabling landlords to attract and retain tenants.
- 10.1.2 The estate agent's role in tenancy administration may involve aspects of tenant liaison, handing and taking over of premises, billings, collection and disbursement of rents, coordination between contractors undertaking works in the premises, payment of utilities, property taxes and services charges, and monitoring reinstatement of premises upon termination or expiry of the tenancy or lease.
- 10.1.3 This landlord tenant relationship management role is not for entire developments, complexes or buildings with multiple tenants or common area management.

10.2.0 STATEMENTS OF STANDARD

- 10.2.1 The Estate Agent shall sign and date the written details of the terms of engagement and business arrangement including procedure and responsibility for specific tasks.
- 10.2.2 Depending on the scope of work, the Estate Agent shall implement relevant processes for the collection of rents, service charges or any other charges, car park charges and/or other relevant charges and shall keep proper accounts of all monies collected.
- 10.2.3 Standard 9 of this Malaysian Estate Agency Standards shall apply to the administration of monies on behalf of the Client.
- 10.2.4 The Estate Agent shall ensure proper documentation and records are kept on the client's property and inventories. He must ensure that these items are kept in good condition, with the exception of fair wear and tear.
- 10.2.5 The Estate Agent shall have a good understanding of the covenants that are entered into between the landlord/lessor and tenant/lessee in the tenancy/lease agreement, and be well versed with legal provisions relating to landlord and tenant tenancy/lease matters as well as those under the Contracts Act 1950 [Act 136] and any other relevant laws.

- 10.2.6 The Estate Agent shall ensure that the covenants expressed or implied, are observed by the tenant or the lessee, under the tenancy/lease agreement throughout the duration of the tenancy/lease. He shall diligently monitor and enforce the covenants without fear or favour at all times.
- 10.2.7 When the Estate Agent scope include the delivery of vacant possession and handing/taking over of premises, the Estate Agent shall ensure and properly coordinate the same in accordance to the agreed tenancy terms which may include full reinstatement of the property to its original condition.
- 10.2.8 The Estate Agent shall ensure that all dealings and transactions are ethical and transparent with his client's best interests protected at all times.
- 10.2.9 The Estate Agent should ensure that a service level agreement is made and shall incorporate the following fiduciary obligations to the client without any modification to the wording below:
- a. In the discharge of Estate Agent's fiduciary duties and obligations to the client, the Estate Agent shall not receive money or commission or gift or donation for the estate agent's own personal benefit from any vendor, supplier, contractor or service provider in order to ensure that the Client's interest is not compromised by the estate agent's own personal interest.
 - b. In the discharge of the estate agent's fiduciary duties and obligations to the Client, the estate agent shall be prohibited from receiving any form of commission or money or kickback directly or indirectly from the contracts with or without the awareness of his client in order to protect the client's interest and the integrity and professionalism of the estate agent.
- 10.2.10 The Estate Agent shall furnish a monthly statement listing the expenses and collection in relation to the property to the Client.

10.3.0 EXPLANATIONS

- 10.3.1 The Estate Agent plays an important role as the link between the landlord/lessor and the tenant/lessee. Whilst ensuring that the tenant/lessee has quiet enjoyment of the premises, the Estate Agent must also ensure that the tenant/lessees briefed clearly on by-laws and house rules and his obligations under the tenancy/lease agreement.
- 10.3.2 The Estate Agent may be required to collect rents in addition to service charges or other charges. He must ensure that all monies are properly collected and accounted for in the appropriate account.

THE REA'S JOB SCOPE & DUE DILIGENCE CHECKLIST (Guidance Note)

SECURING A PROPERTY FOR SALE/TO LET Via your Sphere of Influence – LISTING PROCESS

Conduct Comparative MARKET AND COMPETITOR ANALYSIS – Research

Conduct JOINT PROPERTY INSPECTION WITH CLIENT – Verify property, title and ownership details, owners type of title, consents, defect liability, planning permissions for renovations done, inventory list, amenities, facilities, accessibilities, condition of property, planning permissions for renovation done encumbrances – FACT FINDING

What is Client's MOTIVATION TO SELL/PURCHASE/LET OR LEASE. Discuss the COMPARATIVE MARKET ANALYSIS (CMA) AND COMPETITOR ANALYSIS of similar, relevant properties.

Agree on LISTING PRICE & the Terms and Conditions of Sale/Let/Lease/Acquisition

Agree on the AGENCY TYPE (4 types) Agree on the Terms & Conditions of APPOINTMENT AND SALE

Execute THE APPOINTMENT LETTER

Discuss with Client the Target Group, Marketing Plan & Strategies. Prepare Marketing Materials

Handle ENQUIRIES & Qualify the Prospective Party/CO-AGENCY/Set up Viewing Appointments

Sales and Rental Presentations to Prospects. Handle Objections. NEGOTIATIONS. Close Deal.

EXECUTE THE OFFER LETTER- AGREEMENT TO PURCHASE/RENT/LEASE/ACQUISITION and COLLECT EARNEST MONEY (ED). Deposit (transmit or remit) ED into the LISTING Agent's Client's Account

EXECUTION OF SPA (CONDITIONAL/UNCONDITIONAL) OR TENANCY AGREEMENT within time period

INVOICE THE CLIENT ON THE REA FIRM'S PROFESSIONAL FEES (When do we get paid?)

TRANSITION PERIOD (IF ANY) TILL HANDOVER OF KEYS

Letterhead

EXCLUSIVE AUTHORIZATION TO SELL

No. _____

I/We _____ (NRIC No _____) the registered/beneficial owner(s) ("the Vendor") for the property held under title _____ bearing the postal address _____ ("said Property")

hereby appoint you **XYZ Realty** to be my/our **EXCLUSIVE AGENT** for a period of _____ (____) calendar months commencing from the _____ day of _____ 20____ and expiring on the _____ day of _____ 20____ ("Exclusive Period") to sell the said Property to any Purchaser(s) at the selling price of RM _____ (Ringgit Malaysia _____) only) or the nearest offer to be agreed by the Vendor ("Purchase Price")

subject to the following terms and conditions:-

1. In consideration of XYZ Realty providing the service for the sale of the said Property, the Vendor hereby agrees to pay XYZ Realty a professional fee equivalent to **3.00%** / _____ % of the Sale Price of the said Property OR a professional fee equivalent to RM _____, plus _____% Sales and Services Tax (SST) on the professional fees -:
 - a. Upon the sale of the said Property to any Purchaser(s) procured by XYZ Realty during the Exclusive Period on the terms specified herein and upon the execution of the formal Sale & Purchase Agreement ("SPA"); OR
 - b. Even if the said Property is sold, or contracted to be sold, by the Vendor personally, or through any other person, or agent other than through XYZ Realty, during the Exclusive Period or early termination/revocation of this Exclusive Authorization, if any; OR
 - c. Even if after the expiry of the Exclusive Period, the Vendor enters into a formal SPA with a Purchaser(s) who was introduced or procured by XYZ Realty prior to the expiry of the Exclusive Period.
2. This exclusive authorization to sell the said Property shall remain valid during the said Exclusive Period. The said Exclusive Agency shall expire at the end of the term unless it is renewed by the Vendor and XYZ Realty by mutual consent.
3. XYZ Realty is hereby authorized to collect and accept from the Purchaser(s) on behalf of the Vendor a sum equivalent to **3.50%** of the Purchase Price ("Earnest Deposit") as Stakeholder, and XYZ Realty is authorized to deduct the said agreed professional fee and SST due from the Earnest Deposit upon execution of the SPA before releasing the balance (if any) to the Vendor. In the event the said Earnest Deposit is insufficient to pay XYZ Realty's full professional fees and SST, the Vendor hereby undertakes and agrees to make good the shortfall immediately.
4. In the event Earnest Deposit has been paid and the sale transaction is aborted by the Vendor or by the Purchaser(s) before the execution of the SPA, the Vendor agrees to pay XYZ Realty a professional fee equivalent to 50% of the Earnest Deposit or forfeitable deposit or 50% of the agreed full fees, whichever is lesser, plus the relevant applicable SST.
5. The Vendor agrees to fully indemnify XYZ Realty against all losses/damages/claims by the Purchaser(s) if the Vendor for any reason whatsoever fails to execute, or does not proceed with the execution of the SPA after the Earnest Deposit has been paid or collected.
6. The Vendor hereby authorizes XYZ Realty to utilize any form of advertisement to promote the sale of the said Property, including but not limited to putting up a "For Sale" signboard at the said Property or to advertise the said Property through any form of media.
7. This instruction contained herein is given to XYZ Realty in the Vendor's capacity as: (DELETE whichever not applicable)
 - a) The registered proprietor / absolute beneficial owner of the said Property; or
 - b) Trustee for the legal owner(s) of the said Property / Personal Representative (Executor or Administrator) of the owner(s) (deceased); or
 - c) Attorney of the registered proprietor / duly authorized representative of the Owner(s) pursuant to a Power of Attorney dated _____
8. **Terms and Conditions of Sale:**
 - a) 10% of the Purchase Price of the Property (inclusive of Earnest Deposit) to be paid by the Purchaser(s) upon execution of the SPA.
 - b) The balance 90% of the Purchase Price to be paid within three (3) months from the date of execution of the SPA OR date of receipt by the Purchaser's Solicitors of the Developer's Confirmation / Developer's Consent / State Authority Consent/ Statutory Body Consent and/or the issuance of the Certificate of Completion and Compliance / Certificate of Fitness, whichever is later and whichever is applicable. An extension of a further _____ (____) months may be granted to the Purchaser(s) to enable him to settle in full whatever is the outstanding balance, provided interest is chargeable on the unpaid balance at _____ % (_____ percent) per annum calculated on a day to day basis.
 - c) The said Property is sold on an "As Is Where Is" basis with vacant possession / non-vacant possession* subject to an existing tenancy and subject to the inventory list as per attached (if any). **Delete whichever not applicable.*
9. I/We hereby declare that I/We have not appointed any other estate agency as of this date of appointment.

Signed by the registered proprietor/
beneficial owner of the said Property

Witnessed by:

Name & NRIC:
Contact No.:
Address:
DATE:

Name & NRIC:
Contact No.:
Address:
DATE:

GENERAL AUTHORIZATION TO SELL

No. _____

I/We _____
(NRIC No _____) the registered/beneficial owner(s)
("the Vendor") for the property held under title _____ bearing
the postal address _____

_____ ("said Property")
hereby appoint you **XYZ Realty** as my/our **AGENT** to sell the said Property to any Purchaser(s) at the selling price of
Ringgit Malaysia _____ (RM
_____) only or nearest offer to be agreed by the Vendor ("Purchase Price") subject to the following terms
and conditions :-

1. In consideration of XYZ Realty providing the service for the sale of the said Property, the Vendor hereby agrees to pay XYZ Realty a professional fee equivalent to **3.00%** / _____ % of the Sale Price of the said Property, OR a professional fee equivalent to RM _____, plus _____% Sales and Services Tax (SST) on the professional fees upon the sale of the said Property to any Purchaser(s) procured and/or introduced by XYZ Realty on the terms specified herein and upon the execution of the formal Sale and Purchase Agreement ("SPA").
2. XYZ Realty is hereby authorized to collect and accept from the Purchaser(s) on behalf of the Vendor a sum equivalent to **3.50%** of the Sale Price or best offer ("Earnest Deposit") as Stakeholder. XYZ Realty is authorized to deduct the said agreed professional fee and SST due from the Earnest Deposit upon execution of the SPA before releasing the balance (if any) to the Vendor. In the event the said Earnest Deposit is insufficient to pay XYZ Realty's full professional fees and SST, the Vendor hereby undertakes and agrees to make good the shortfall immediately.
3. In the event Earnest Deposit has been paid and the sale transaction is aborted by the Vendor or by the Purchaser(s) before the execution of the SPA the Vendor agrees to pay XYZ Realty a professional fee equivalent to 50% of the Earnest Deposit or forfeitable deposit or 50% of the agreed full fees, whichever is lesser, plus the relevant applicable SST.
4. The Vendor agrees to fully indemnify XYZ Realty against all losses/damages or claims by the Purchaser(s) if the Vendor for any reason whatsoever fails to execute, or does not proceed with the execution of, the SPA after the Earnest Deposit has been paid or collected.
5. The Vendor hereby authorizes XYZ Realty to utilize any form of advertisement to promote the sale of the said Property, including but not limited to putting up a "For Sale" signboard at the said Property or to advertise the said Property through any form of media.
6. This instruction contained herein is given to XYZ Realty in the Vendor's capacity as: (DELETE whichever not applicable)
 - a) The registered proprietor / absolute beneficial owner of the said Property; or
 - b) Trustee for the legal owner(s) of the said Property / Personal Representative (Executor or Administrator) of the owner(s) (deceased), or
 - c) Attorney of the registered proprietor / duly authorized representative of the owner(s) pursuant to a Power of Attorney dated _____
7. **Terms and Conditions of Sale:**
 - a) 10% of the Purchase Price of the said Property (inclusive of Earnest Deposit) to be paid by the Purchaser(s) upon execution of the SPA.
 - b) The balance 90% of the Purchase Price to be paid within three (3) months from the date of execution of the SPA OR date of receipt by the Purchaser's Solicitors of the Developer's Confirmation / Developer's Consent / State Authority's Consent / Statutory Body Consent and/or the issuance of the Certificate of Completion and Compliance / Certificate of Fitness, whichever is later and whichever is applicable.
 - c) An extension of a further _____ (____) months may be granted to the Purchaser(s) to enable him to settle in full whatever is the outstanding balance, provided interest is chargeable on the unpaid balance at _____ % (_____ percent) per annum calculated on a day to day basis.
 - d) The said Property is sold on an "As Is Where Is" basis with vacant possession / without vacant possession* (i.e. subject to an existing tenancy) and subject to the inventory list as per attached (if any). **Delete whichever not applicable.*

**Signed by the registered proprietor/
beneficial owner of the said Property**

Witnessed by:

Name:
NRIC:
Contact No.:
Address:
DATE:

Name:
NRIC:
Contact No.:
Address:
DATE:

EXCLUSIVE AUTHORIZATION TO LET

No. _____

I/We _____ (NRIC No _____) the registered/beneficial owner(s) ("the Landlord") for the property held under title _____ bearing the postal address of _____

_____ ("said Property")

hereby appoint you **XYZ Realty** as my/our **EXCLUSIVE AGENT** for a period of _____ () calendar months commencing from the ___ day of _____ 20__ and expiring on the ___ day of _____ 20__ ("Exclusive Period") for the rental of the said Property to any Tenant at the rental price of RM _____ (Ringgit Malaysia _____ only) or the

nearest offer to be agreed by the Landlord subject to the following terms and conditions :

1. The Landlord hereby agrees to pay XYZ Realty a professional fee of RM _____ or a fee equivalent to _____ month(s)' Rental plus _____ % Sales & Services Tax ("SST") on the professional fees :
 - a) Upon the rental of the said Property to any Tenant procured and/or introduced by XYZ Realty during the Exclusive Period, and any extension thereof, on the terms specified herein and upon the execution of the Tenancy Agreement ; OR
 - b) Even if the said Property is rented, or contracted to be rented by the Landlord personally and enters into a formal Tenancy Agreement with a Tenant(s) who was introduced or procured by XYZ Realty prior to the expiry of the Exclusive Period; OR
 - c) Even if after the expiry of the Exclusive Period, the Landlord enters into a Tenancy Agreement with a Tenant who was introduced and/or procured by XYZ Realty prior to the expiry of the Exclusive Period.
2. This exclusive authorization to let the said Property shall remain valid during the said Exclusive Period. The said Exclusive Agency shall expire at the end of the term unless it is renewed by the Landlord and XYZ Realty by mutual consent.
3. XYZ Realty is hereby authorized to collect and accept from the Tenant on behalf of the Landlord a sum equivalent to **ONE month's rental or any sum** subsequently agreed by the Landlord ("Earnest Deposit") as Stakeholder. XYZ Realty is authorized to deduct the said agreed professional fee and SST due from the Earnest Deposit before releasing the balance (if any) to the Landlord. In the event the said Earnest Deposit is insufficient to pay XYZ Realty's full professional fees and the relevant SST, the Landlord hereby undertakes and agrees to make good the shortfall immediately.
4. In the event Earnest Deposit has been paid and the rental transaction is aborted by the Landlord or by the Tenant before the execution of the Tenancy Agreement, the Landlord agrees to pay XYZ Realty a professional fee equivalent to 50% of the Earnest Deposit or forfeitable deposit or 50% of the agreed full fees, whichever is less plus the relevant applicable SST.
5. The Landlord agrees to fully indemnify XYZ Realty against all losses/damages or claims by the Tenant if the Landlord for any reasons whatsoever fail to execute, or does not proceed with the execution of, the Tenancy Agreement after the Earnest Deposit has been paid or collected.
6. The Landlord hereby authorizes XYZ Realty to utilize any form of advertisement to promote the rental of the said Property, including but not limited to putting up a "TO LET" signboard at the said Property or to advertise the said Property through the media or internet.
7. This instruction contained herein is given to XYZ Realty in the Landlord's capacity as: (DELETE where not applicable)
 - a) The registered proprietor / absolute beneficial owner of the said Property; or
 - b) Trustee for the legal owner(s) / Personal Representative (Executor or Administrator) of the owner(s) (deceased); or
 - c) Attorney of the registered proprietor / duly authorized representative of the Owner(s) pursuant to a Power of Attorney dated _____

8. Terms and Conditions of Payment:

- a) Advance Rental : RM _____ () months
- b) Security Deposit : RM _____ () months
- c) Utility Deposit (Electricity, Water & Sewerage) : RM _____ ()
- d) Other terms and conditions (if any) _____

9. I/We hereby declare that I/We have not appointed any other estate agency as of this date of appointment.

Signed by the registered proprietor/
beneficial owner of the said Property

Witnessed by:

Name:
NRIC:
Contact No.:
Date:

Name:
NRIC:
Contact No.:
Date:

GENERAL AUTHORIZATION TO LET

No. _____

I/We _____
(NRIC No _____) the registered/beneficial
owner(s) ("the Landlord") for the property held under title _____ bearing
the postal address _____
_____ ("said Property") hereby
appoint you **XYZ Realty** as my/our **AGENT** for the rental of the said Property to any Tenant at the rental price of
Ringgit Malaysia _____
(RM _____) only or the nearest offer to be agreed by the Landlord subject to the following terms and conditions:

1. The Landlord hereby agrees to pay XYZ Realty a professional fee of RM _____; _____ or a fee equivalent to _____ month(s) Rental, plus _____% Sales and Services Tax ("SST") on the professional fees, upon the rental of the said Property to any Tenant procured and/or introduced by XYZ Realty on the terms specified herein and upon the execution of the Tenancy Agreement.
2. XYZ Realty is hereby authorized to collect and accept from the Tenant on behalf of the Landlord a sum equivalent to **ONE month's rental** or **any sum** subsequently agreed by the Landlord ("Earnest Deposit") as Stakeholder. XYZ Realty is authorized to deduct the said agreed professional fee and SST due from the Earnest Deposit before releasing the balance (if any) to the Landlord. In the event the said Earnest Deposit is insufficient to pay XYZ Realty's full professional fees and the relevant SST, the Landlord hereby undertakes and agrees to make good the shortfall immediately.
3. In the event Earnest Deposit or forfeitable deposit has been paid and the rental transaction is aborted by the Landlord or by the Tenant before the execution of the Tenancy Agreement, the Landlord agrees to pay XYZ Realty a professional fee equivalent to 50% of the Earnest Deposit or 50% of the forfeitable deposit or 50% of the agreed full fees, whichever is less, plus the relevant applicable SST.
4. The Landlord agrees to fully indemnify XYZ Realty against all losses/damages or claims by the Tenant if the Landlord for any reasons whatsoever fail to execute, or does not proceed with the execution of, the Tenancy Agreement after the Earnest Deposit has been paid or collected.
5. The Landlord hereby authorizes XYZ Realty to utilize any form of advertisement to promote the rental of the said Property, including but not limited to putting up a "TO LET" signboard at the said Property or to advertise the said Property through any form of media.
6. This instruction stated herein is given to XYZ Realty in the Landlord's capacity as: (Delete whichever not applicable)
 - a) The registered proprietor / absolute beneficial owner of the said Property; or
 - b) Trustee for the legal owner(s) of the said Property / Personal Representative, Executor/Administrator of the owner(s) (deceased), or
 - c) Attorney of the registered proprietor/duly authorized representative of the legal owner(s) pursuant to a Power of Attorney dated _____.
7. **Terms and Condition of Payment:**
 - a) Advance Rental : RM _____ (_____) months
 - b) Security Deposit : RM _____ (_____) months
 - c) Utility Deposit : RM _____ (_____)
 - d) Other terms and conditions (if any) _____

Signed by the registered proprietor/
beneficial owner of the said Property

Witnessed by:

Name:
NRIC:
Contact No.:
Address:
Date:

Name:
NRIC:
Contact No.:
Address:
Date:

AUTHORIZATION TO SECURE A PROPERTY FOR ACQUISITION

No. _____

I/We _____ (NRIC No _____) of _____ ("the Prospective Purchaser")

do hereby appoint you **XYZ Realty** as my/our AGENT for a period of ____ (____) days/calendar months* commencing from the ____ day of ____ 20__ and expiring on the ____ day of ____ 20__ ("Agency Period") to secure a property for purchase ("said Property") at a total consideration for the said Property which shall not exceed Ringgit Malaysia _____ only (RM _____) or other such sum as may be subsequently agreed by the Prospective Purchaser ("Sale Price") subject to the following terms and conditions:

1. The Prospective Purchaser hereby authorizes XYZ Realty to utilize any form of advertisement to promote the acquisition of the said Property, including but not limited to sending out flyers, or advertising in any form of media.
2. A brief description of the Prospective Purchaser's requirements is as follows:
 - a. Type of Property: _____
 - b. Location of Property: _____
 - c. Tenure (Freehold / Leasehold): _____
 - d. With or without Vacant Possession: _____
 - e. Others: _____
3. This instruction contained herein is given to XYZ Realty in my/our capacity as the Prospective Purchaser. This authorization to secure/acquire a property for purchase shall remain valid during the said Agency Period.
4. The Prospective Purchaser hereby agrees to pay XYZ Realty a professional fee of RM _____ or a professional fee equivalent to _____ % of the Purchase Price, plus _____ % Sales and Services Tax ("SST") on the professional fees upon the acquisition of the said Property (even if it differs from Clause 2) from any Vendor(s) procured and/or introduced by XYZ Realty during the Agency Period on the terms specified herein and upon the execution of the formal Sale and Purchase Agreement ("SPA").
5. In the event the Earnest Deposit has been paid and the acquisition transaction is aborted by the Prospective Purchaser or by the Vendor(s) before the execution of the SPA the Prospective Purchaser agrees to pay XYZ Realty a professional fee equivalent to 50% of the Earnest Deposit or forfeitable deposit or 50% of the agreed full fees, whichever is lesser plus the relevant applicable SST.
6. The Prospective Purchaser agrees to indemnify XYZ Realty against all losses/damages or claims by the Vendor(s) if the Prospective Purchaser for any reasons whatsoever fail to execute, or does not proceed with the execution of, the SPA after the Earnest Deposit has been paid or collected and the Prospective Purchaser's offer to purchase has been accepted by the Vendor(s).

Signed by the Prospective Purchaser

Witnessed by:

 Name:
 NRIC:
 Designation:
 Company Stamp:
 Contact No.:
 Address:
 Date:

 Name:
 NRIC:
 Designation:
 Company Stamp:
 Contact No.:
 Address:
 Date:

Letterhead

AUTHORIZATION TO SECURE A PROPERTY FOR RENT

No. _____

I/We _____ (NRIC No _____) of _____

_____ ("the Prospective Tenant")

do hereby appoint you **XYZ Realty** as my/our AGENT for a period of ____ (____) days/calendar months* commencing from the ____ day of ____ 20__ and expiring on the ____ day of ____ 20__ ("Agency Period") to secure a property for rent ("said Property") at a total consideration for the said Property which shall not exceed Ringgit Malaysia _____

only (RM _____) or other sum as may be subsequently agreed by the Prospective Tenant ("Rental Price") subject to the following terms and conditions:

1. The Prospective Tenant hereby authorizes XYZ Realty to utilize any form of advertisement to promote the acquisition of the said Property for rent, including but not limited to sending out flyers, or advertising in any form of media.
2. A brief description of the Prospective Tenant's requirements is as follows:
 - a. Type of Property: _____
 - b. Location of Property: _____
 - c. No. of Rooms and Baths: _____
 - d. Others: _____
3. This instruction contained herein is given to XYZ Realty in my/our capacity as the Prospective Tenant. This authorization to secure a property for rent shall remain valid during the said Agency Period.
4. The Prospective Tenant hereby agrees to pay XYZ Realty a professional fee of RM _____ or a professional fee equivalent to _____ month(s)' Rental, plus ____% Sales & Services Tax ("SST") on the professional fees upon the rental of the said Property (even if it differs from Clause 2) from any Landlord(s) procured and/or introduced by XYZ Realty during the Agency Period on the terms specified herein and upon the execution of the Tenancy Agreement ("TA").
5. In the event the Earnest Deposit has been paid and the rental transaction is aborted by the Prospective Tenant or by the Landlord(s) before the execution of the TA the Prospective Tenant agrees to pay XYZ Realty a professional fee equivalent to 50% of the Earnest Deposit or forfeitable deposit or 50% of the agreed full fees, whichever is less, plus the relevant applicable SST.
6. The Prospective Tenant agrees to indemnify XYZ Realty against all losses/damages or claims by the Landlord(s) if the Prospective Tenant for any reasons whatsoever fail to execute, or does not proceed with the execution of, the TA after the Earnest Deposit has been paid or collected and the Prospective Tenant's offer to rent has been accepted by the Landlord(s).

Signed by the Prospective Tenant

Witnessed by:

 Name:
 NRIC:
 Designation:
 Company Stamp:
 Contact No.:
 Address:
 Date:

 Name:
 NRIC:
 Designation:
 Company Stamp:
 Contact No.:
 Address:
 Date:

Letterhead

To :

Attention :

Date: :

Fax :

Dear Sir / Madam,

Re: Co-agency arrangement for the rental of the property at: _____

We refer to the telephone conversation between your _____
(hp: _____) and our _____ (hp:
_____) and hereby agree to enter into a co-agency agreement with your Company
on the rental of the above property, subject to the following terms and conditions of co-agency:

1. Upon the successful rental transaction for the above mentioned property, we will share ____% of the Rental Price or RM _____, plus ____% SST (if any) with your Company on a ____% : ____% basis. The agreed co-agency professional fees shall be payable to your Company upon the execution of the Tenancy Agreement, or upon _____ and upon our receipt of the payment of the professional fees from the Landlord.
2. In the event that the transaction is subsequently aborted and whereby we are entitled to a fee, then your Company shall be paid 50% of the agreed abortive fees subject to, and upon, our receipt of the said fees from the Landlord.
3. The Earnest Deposit shall be held by XYZ Realty E (_) _ _ _ as the stakeholder and our Agreement to Rent document shall be used for the said transaction as the LISTING AGENT.
4. It is mutually understood that under the terms of this co-agency agreement and arrangement, neither of the Real Estate Negotiators (REN) from our respective Companies shall conduct any direct negotiations with the other Company's Client. In addition, each Company's REN is responsible for exercising sufficient control over their respective Clients to prevent their Clients from contacting the other co-agent, or the other REN's Client directly.
5. All other terms shall be in accordance to the Valuers, Appraisers and Estate Agents Act 1981 and Rules 1986 (As amended).

If the above co-agency agreement's stated terms and conditions are acceptable to you, please indicate your acceptance by signing and returning the duly signed copy of this agreement to us, by fax /email.

Yours faithfully,
XYZ Realty

We hereby confirm our acceptance of the above stated terms and conditions of the co-agency arrangement

Name of Principal
Registered Estate Agent E _____
Principal/Director

Name :
Designation :
E-Number :
Company Stamp :

Letterhead

To :

Attention :

Date :

Fax:

Dear Sir / Madam,

Re: Co-agency arrangement for the sale of a property at _____

We refer to the telephone conversation between your _____ (hp: _____) and our _____ (hp: _____) and hereby agree to enter into a co-agency agreement with your Company on the sale of the above property, subject to the following terms and conditions of co-agency:

1. Upon the successful sale transaction for the above mentioned property, we will share _____ % of the Selling Price or RM _____, plus _____ % SST (if any) with your Company on a _____ % : _____ % basis. The agreed co-agency professional fees shall be payable to your Company upon the execution of the Sale and Purchase Agreement, or upon _____, and upon our receipt of the payment of the professional fees from the Vendor.
2. In the event that the transaction is subsequently aborted and whereby we are entitled to a fee, then your Company shall be paid 50% of the agreed abortive fees subject to, and upon, our receipt of the said fees from the Vendor.
3. The Earnest Deposit shall be held by XYZ Realty E (_) _ _ _ _ as the stakeholder and our Agreement to Purchase document shall be used for the said transaction as the LISTING AGENT.
4. It is mutually understood that under the terms of this co-agency agreement and arrangement, neither of the Real Estate Negotiators (REN) from our respective Companies shall conduct any direct negotiations with the other Company's Client. In addition, each Company's REN is responsible for exercising sufficient control over their respective Clients to prevent their Clients from contacting the other co-agent, or the other REN's Client directly.
5. All other terms shall be in accordance to the Valuers, Appraisers and Estate Agents Act 1981 and Rules 1986 and the Malaysian Estate Agency Standards 2014.

If the above co-agency agreement's stated terms and conditions are acceptable to you, please indicate your acceptance by signing and returning the duly signed copy of this agreement to us by fax / email.

Yours faithfully,
XYZ Realty

We hereby confirm our acceptance of the above
stated terms and condition of the co-agency agreement

Name of Real Estate Agent
Principal/Director with E- No.

Name :
Designation & E-No. :
Designation :
Company's Stamp :

PROPERTY VIEWING ACKNOWLEDGEMENT

1. CLIENT'S PARTICULARS

Mr/Mrs/Ms : Address : Tel (O) : Tel (H) : Fax : Called On : Refer by :	Requirements: Assigned to:
---------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------

2. PROPERTY PROPOSED / VIEWED

No	Property	Owner / Agent	Viewing Date / Time	Remarks	Price
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					

I / We acknowledge and confirm that I / We have inspected the above-mentioned property / properties that were obtained through the efforts and services rendered by XYZ Realty E() _____. Should I / We, my nominee or company in which I have an interest in, be interested on any of the above property / properties, I will negotiate with the Owner / Landlord through **XYZ Realty** only.

Prospective Tenant / Purchaser

Negotiator in Attendance

NRIC No: _____

Date: _____

AGREEMENT TO PURCHASE

No. _____

TO: _____

DESCRIPTION OF SAID PROPERTY: _____

PURCHASE PRICE: RM _____ EARNEST DEPOSIT: RM _____

EXECUTION OF THE SALE AND PURCHASE AGREEMENT:

1. The Purchaser(s) hereby undertakes to execute the Sale and Purchase Agreement (SPA) incorporating, inter alia, the agreed terms and conditions stated herein within the said Period of _____ (____) full working days (excluding Saturdays, Sundays and Public Holidays) from the date of acceptance of this offer by the Vendor(s).
2. In the event that the Purchaser(s) fails to and/or refuses to execute the SPA within the said Period, the Earnest Deposit shall be forfeited by the Vendor(s) as agreed liquidated damages PROVIDED that there is no delay on the part of the Vendor(s) or Vendor(s)'s Solicitor in agreeing to the terms and conditions of the SPA, and PROVIDED always that the non-execution of the SPA by the Purchaser(s) is not caused by, or attributable to, the Vendor's misrepresentation, misconduct and/or fraudulent acts. Thereinafter upon such forfeiture, this Agreement shall be terminated and be null and void and neither party shall have any further claims whatsoever against each other.
3. In the event that the Vendor(s) fails to and/or refuses to execute the SPA or to complete the sale transaction within the said Period, the Vendor(s) shall refund to the Purchaser(s) free of interest the said Earnest Deposit, together with a compensation sum equivalent to the Earnest Deposit as agreed liquidated damages, and thereinafter this Agreement shall be terminated and be null and void and neither party shall have any further claims whatsoever against each other; failing which the Purchaser(s) shall be entitled to seek specific performance, and/or damages, of this Agreement.

4. TERMS OF AGREEMENT

A. PAYMENT OF THE PURCHASE PRICE

1. Upon the execution of the SPA, the Purchaser(s) shall pay to the Vendor(s) ten percent (10%) of the Purchase Price (less such sums paid as Earnest Deposit)
2. The balance of the Purchase Price shall be paid to the Vendor(s) within three (3) / _____ (____) months* from the date of execution of the SPA or date of receipt by the Purchaser's Solicitors of the *Developer's Confirmation / Developer's Consent / State Authority's Consent/ Statutory Body Consent and/or the issuance of the Certificate of Completion and Compliance / Certificate of Fitness, whichever is later, and whichever is applicable, failing which, the Vendor(s) shall grant to the Purchaser(s) an extension of _____ (____) month(s) and in consideration thereof, the Purchaser(s) shall pay interest at the rate of _____ % (____ percent) per annum on the balance Purchase Price, or such sums as shall remain outstanding calculated on a day to day basis. *Delete whichever not applicable.

B. CONDITIONS OF TITLE & DELIVERY OF POSSESSION

The sale of the said Property is sold on an "As Is Where Is" basis, with vacant possession / without vacant possession* (i.e. legal possession and subject to an existing tenancy) and free of encumbrances but subject to all conditions of title, express or implied, in the document of title. The Vendor(s) shall deliver vacant / legal possession* (subject to an existing tenancy) of the said Property to the Purchaser(s) upon receipt of the full balance of the Purchase Price. *Delete whichever not applicable.

C. LEGALLY ENFORCEABLE DOCUMENT

The parties hereto expressly agree that notwithstanding the payment and clearance of the cheque for the said Earnest Deposit, this Agreement to Purchase shall only take effect upon the signing of this Agreement to Purchase by both the Vendor(s) and the Purchaser(s); and notwithstanding that the SPA execution is pending, this Agreement to Purchase, when executed by both the Purchaser(s) and the Vendor(s), shall constitute a legally binding document between the parties herein.

D. OTHER CONDITIONS _____

I/We the Purchaser(s), having inspected the said Property, hereby attach herewith the sum of RM _____ (Cash/Cheque No. _____) payable to **XYZ Realty** as stakeholder / _____, being Earnest Deposit towards the purchase of the said Property. In the event the Vendor(s) rejects this offer, the said Earnest Deposit shall be refunded to me/us immediately the Purchaser/s, free of interest.

PURCHASER(S):

Signature(s) : _____
 Name (1) : _____
 NRIC No. (1) : _____
 Name (2) : _____
 NRIC No. (2) : _____
 Address & Hp : _____

ACCEPTED BY VENDOR(S):

Signature(s) : _____
 Name (1) : _____
 NRIC No. (1) : _____
 Name (2) : _____
 NRIC No. (2) : _____
 Address & Hp : _____

WITNESSED BY : _____

Name : _____
 NRIC No. : _____ Date: _____

WITNESSED BY: _____

Name : _____
 NRIC No. : _____ Date _____

AGREEMENT TO RENT

No. _____

I/We _____ NRIC No/Passport _____
on behalf of _____ hereby confirm I/We wish to rent the said property
known as _____

by paying an Earnest Deposit of RM _____ (Ringgit Malaysia _____
_____ which is equivalent to _____ (_____) month's rental of the said property.

- The following are the terms and conditions of renting the said property:-
 Advance Rental : RM _____ (_____) month (s)
 Security Deposit : RM _____ (_____) month (s)
 Utility Deposit : RM _____ (_____)
 Period Of Tenancy : _____ (_____) years effective from _____ to _____
 Option to Renew : _____ (_____) years effective from _____ to _____
- It is hereby mutually agreed that the following items shall be attended to on or before the _____ day of _____ 20 _____ :

- Other Special Conditions: _____

- Vacant possession shall be given to the undersigned on or before the _____ day of _____ 20 _____ if I/We make
 all the necessary payments on or before the _____ day of _____ 20 _____ and/or pay RM _____
 as stamping and service charges.
- I/We undertake to sign the Tenancy Agreement on or before the _____ day of _____ 20 _____ ,
- In the event that I/We, the Tenant, shall fail to sign the said Tenancy Agreement within the stipulated time, I/We hereby fully
 agree that the said Earnest Deposit shall be forfeited as pre-agreed liquidated damages.
- In the event that the Landlord accepts this offer and later refuses to and/or neglects to and/or fails to, for any reason whatsoever,
 to sign the Tenancy Agreement or to complete the rental transaction within the stipulated time, the Landlord shall refund to the
 Tenant, free of interest, the said Earnest Deposit together with a sum equivalent to the Earnest Deposit, as compensation.
- The parties hereto expressly agree that notwithstanding the payment and clearance of the cheque for the said Earnest Deposit,
 this Agreement to Rent shall only take effect upon the signing of this Agreement to Rent by both the Landlord(s) and the
 Tenant; and notwithstanding that the Tenancy Agreement execution is pending, this Agreement to Rent, when executed by both
 the Landlord(s) and the Tenant, shall constitute a legally binding document between the parties herein.
- I/We hereby attach herewith the sum of RM _____ (Cash/Cheque No.: _____) payable to
XYZ Realty as stakeholder / _____ being Earnest Deposit towards the
 rental of the said property. In the event the Landlord rejects this offer, the said Earnest Deposit shall be refunded free of interest
 to me/us, the Tenant, in full.

Signed by the Said Tenant (s)

Signed by the Said Landlord(s)

Name : _____
NRIC No. : _____
Address : _____
Address : _____

Name 1 : _____
NRIC No. 1 : _____
Name 2 : _____
NRIC No. 2 : _____
Address : _____

Witnessed by : _____
Name : _____
NRIC No. : _____
DATE : _____

Witnessed By : _____
Name : _____
NRIC No. : _____
Date : _____



EJEN HARTA TANAH

VIEWER'S ACKNOWLEDGEMENT ON PROPERTIES INSPECTED

Details of Prospective Tenant / Purchaser

Name:

Tel:

Car No.:

Appointment Date:

Time:

I / We hereby confirm that we have viewed and inspected the following properties through the efforts and services rendered by _____ REN No. _____ from _____

	ADDRESS OF PROPERTY	PRICE (RM)	REMARKS
1.			
2.			
3.			
4.			
5.			
6.			
7.			

If I/We or my nominee or company/(ies) in which I may have an interest in, be interested on any of the above property/(ies), I/we will negotiate with the Vendor(s) / Landlord(s) through _____ only.

Name of Client:

NRIC No.:

Date:

Real Estate Negotiator:

REN No.:

NRIC No.:

Date:

