# Indonesian couple sues PropNex and law firm over disputed 99-to-1 property deal



An Indonesian couple has filed a S$849,287 lawsuit against PropNex Realty, a salesperson affiliated with the company, and CK Tan Law Corporation, following a real estate transaction involving a so-called 99-to-1 arrangement, raising questions over the legality and tax implications of such deals. This legal action marks the second known suit of a similar nature involving a subsidiary of the mainboard-listed PropNex group.

The legal claimants, Kevin Rahim and Jessica Tjitra, initiated the proceedings in February 2025. They allege that Amos Koh, a salesperson linked to PropNex Realty, misrepresented the nature of the 99-to-1 transaction arrangement to them. Koh purportedly assured the couple that this structure, wherein the buyer acquires a 1 per cent stake in a property while the seller retains 99 per cent, was a legitimate means to pay a lower Additional Buyer’s Stamp Duty (ABSD). Specifically, they claim Koh told them that Rahim would be liable for the 30 per cent ABSD only on his 1 per cent interest, rather than on the entire property purchase price.

The transaction at the centre of the dispute involved Tjitra purchasing an apartment at the Riviere development in July 2022 for nearly S$3.3 million, shortly after Rahim obtained Singapore permanent residency. Shortly afterwards, Tjitra sold a 1 per cent share of the condominium to Rahim for S$32,920 under a tenants-in-common arrangement.

However, in August 2024, the Inland Revenue Authority of Singapore (Iras) notified the couple that the full 30 per cent ABSD would apply on the entire purchase price, along with an additional 5 per cent surcharge on the ABSD payable. Iras treated the transaction as an "illegal stamp duty avoidance" effort, effectively considering the couple as joint purchasers from the outset.

Consequently, the couple settled an outstanding tax amount of S$849,287 after accounting for previously paid stamp duty and ABSD sums. They contend that Koh failed to verify the accuracy of his representations despite knowing they would rely on his advice when structuring their purchase in this manner.

Beyond Koh, Rahim and Tjitra have also named PropNex Realty as a defendant, alleging the agency neglected its duty of care by inadequately training Koh and allowing him to provide false information about the legality of the transaction. Their legal representatives, including lawyer Gavin Neo of WongPartnership, claim PropNex is liable for Koh’s alleged negligent misrepresentation.

Similarly, they assert that CK Tan Law Corporation, which acted on their behalf for the conveyancing process, failed to verify the legal standing of the 99-to-1 structure and did not inform them of potential risks, including its possible characterisation as an unlawful stamp duty avoidance scheme. The claimants argue that this law firm breached the standard expected of a competent conveyancing lawyer.

In response, PropNex Realty has denied that Koh served as the claimants’ salesperson, stating that no estate agency agreement was entered into with Rahim and Tjitra. They emphasised that neither Koh nor the agency received any commission or fee from the couple. Instead, Koh was involved with the Riviere developer as an independent contractor, earning commissions exclusively from the developer.

PropNex highlighted that Koh had undertaken to comply with all regulatory requirements as set by the Council for Estate Agencies and would be personally liable for any wrongful acts or misrepresentations, indemnifying the company against claims and legal costs. The agency and Koh also argued that Rahim and Tjitra were aware that Koh was not qualified to provide legal or tax advice and therefore did not rely on his representations.

Further, Koh stated that he had received presentation materials from CK Tan Law regarding the 99-to-1 method through a division WhatsApp chat in May 2020, which outlined the steps involved and the anticipated stamp duty savings. He believed that such materials lent legal legitimacy to the method since they originated from a law firm.

Both PropNex and Koh contend that the law firm had a primary responsibility to advise the claimants on the arrangement's legality and tax obligations and that any reliance must have been placed upon the conveyancers’ expertise.

CK Tan Law, in its rebuttal, denied allegations of negligence and asserted that it acted strictly under the couple’s instructions for the purchase and mortgage transactions. The firm clarified that it had not provided any tax advice nor detected any queries from the claimants regarding tax implications of the 99-to-1 structure.

Importantly, CK Tan Law argued that the phrase "illegal stamp duty avoidance" was a mischaracterisation. While Iras imposed a surcharge and varied the duty payable under its powers, the law firm stated this did not equate to the arrangement being illegal.

The firm also maintained that its duty of care did not extend to preventing or advising on illegal tax avoidance methods or predicting tax authority actions. It suggested that the couple’s decision to employ the 99-to-1 approach, as recommended by Koh, contributed to their financial loss.

The legal proceedings concerning this case are set to have a case conference on 30 April 2025. Concurrently, PropNex Realty is also involved in another lawsuit dating from January 2025, in which it faces a S$1.2 million claim relating to a similar 99-to-1 transaction. That case is reportedly moving towards mediation, following the courts’ encouragement for parties to seek resolution through alternative dispute mechanisms.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.businesstimes.com.sg/companies-markets/reits-property/propnex-realty-faces-second-lawsuit-over-99-1-deals> - Confirms the February 2025 filing date of the lawsuit and the claimants' allegations about Amos Koh's representation of the 99-to-1 arrangement's legality.
3. <https://www.businesstimes.com.sg/companies-markets/reits-property/propnex-realty-faces-second-lawsuit-over-99-1-deals> - Details PropNex Realty's defense denying Koh's role as the claimants' salesperson and their claim that Koh acted as an independent contractor for the Riviere developer.
4. <https://www.businesstimes.com.sg/companies-markets/reits-property/propnex-realty-faces-second-lawsuit-over-99-1-deals> - Describes CK Tan Law Corporation's rebuttal, including their denial of negligence and assertion that the ABSD surcharge does not equate to illegality under Singapore law.
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