



Dear Licensees,

**Re: Update of the “Questions and Answers” related to  
Practice Circular (No. 13-04 (CR))**

The Estate Agents Authority (“EAA”) updated the set of “Questions and Answers” related to Practice Circular (No. 13-04 (CR)) titled “First Sale of Residential Properties - Conduct in Promotional Activities and Provision of Property Information” on 6 July 2017 by incorporating new questions and answers (Q19 to Q21), and would like to encourage licensees to read the details.

Through this update, the EAA would like to remind licensees that under the Practice Circular, no advertisement or promotional materials shall be issued by licensees other than estate agency companies. Estate agency companies must obtain the vendor’s written consent before they issue any advertisement or promotional material. Also, estate agency companies are required to obtain the vendor’s express endorsement in writing of the accuracy and completeness of the particulars contained in each version of the advertisement or promotional material prepared by the estate agency company concerned before such advertisement or promotional material is issued.

Moreover, when preparing materials for internal use only, estate agency companies should issue clear guidelines to their staff regarding the requirement of the company that materials given to them for internal use only must not be released to outsiders (such as prospective purchasers), otherwise they could be regarded as promotional materials. If any of these materials contained information which is not correct and are released to outsiders, the licensee concerned may be liable for misrepresentation and dissemination of false or misleading information etc. under the Residential Properties (First-hand Sales) Ordinance and the maximum penalties are a fine of \$5,000,000 and imprisonment for 7 years, and may also be disciplined by the EAA.



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For more details, please refer to [Q19 to Q21 of the “Questions and Answers” related to the Practice Circular](#) on the EAA’s website.

Estate Agents Authority

13 July 2017