



**EAA issues new practice circular on the execution of estate agency agreements by electronic means**

(31 March 2014) In view of the increasing popularity of using electronic means in business communication, the Estate Agents Authority (“EAA”) issued a new practice circular today to provide guidelines for estate agents on execution of prescribed estate agency agreements by electronic means, so that they can provide more convenient services to clients. The new Practice Circular (no. 14-01 (CR)) comes into effect today.

Under the Estate Agents Ordinance and the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation (“Practice Regulation”), estate agents are required to execute estate agency agreements as prescribed in the Practice Regulation with clients when dealing with the sale, purchase or lease of residential properties in Hong Kong. Members of the trade had earlier reflected to the EAA that execution of the estate agency agreement by electronic means would allow for more flexibility in arranging the time and location of signing the agreement with clients. In this regard, the EAA Practice and Examination Committee had a discussion on the subject and decided to issue a practice circular to provide the trade with detailed guidelines on the execution of estate agency agreements by electronic means.

Mr William Leung Wing-Cheung, the Chairman of the EAA Practice and Examination Committee, said, “Using mobile and electronic devices for communication has become very popular and is widely adopted in business. The new Circular will facilitate the trade to execute estate agency agreements through electronic means, and thus allow them to provide clients a more convenient and flexible alternative way of executing the agreement.”

According to the new Practice Circular, licensees should request their clients to use a digital signature recognised under the Electronic



Transactions Ordinance if they choose to execute estate agency agreements through electronic means to prevent disputes on the authenticity of the signature. As licensees may key in certain information to the electronic version of the agreement, they must ensure that their clients are able to distinguish the additional information inserted by the licensees from the contents prescribed by the law. In this regard, the EAA has prepared a set of e-forms of the prescribed agreements for the trade to adopt.

Licensees may also complete information in the prescribed estate agency agreement by hand and convert the same into digital form for transmission to clients through fax or email. The clients may then print the agreement on paper for signing physically and send back the signed agreement by fax or email. In such cases, licensees should arrange for clients to counter-sign on the hard copy to endorse the scanned signatures before any agreement for sale and purchase/lease of the property is entered into.

In addition, licensees should explain to their clients, in case they are not legally represented, the terms and conditions of the estate agency agreement before they execute the agreement by electronic means, as required by the Practice Regulation.

As aforementioned, to facilitate the implementation of the Circular, the EAA has prepared a set of e-forms of the prescribed estate agency agreements which are made available in the EAA's website ([www.eaa.org.hk](http://www.eaa.org.hk)) for the trade to use.

– End –