



Agreement for sale and purchase of property

(17 October 2023) The Estate Agents Authority (“EAA”) issued a reminder to its licensees through email and website today expressing its great concern that recently some estate agency companies are asking property purchasers and vendors to sign a memorandum of agreement (“Memorandum”) in respect of the sale and purchase of property, which allows both parties to cancel the transaction if the Policy Address does not announce any relaxation of the demand side management measures for private residential properties.

The EAA opines that such action is inappropriate, as it may lead to legal disputes and cause confusion in the property market. The EAA is looking into whether the use of such Memorandum may have breached the EAA’s guidelines and will take follow up actions accordingly.

The EAA also reminds property purchasers and vendors to obtain independent legal advice before signing any agreement, and be mindful that the relevant arrangement and terms of agreement in the Memorandum may involve evasion of taxes and/or other legal liabilities.

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