



Circular

Circular No. 23-02 (CR)

Guidelines on Sale of Uncompleted Properties Situated Outside Hong Kong (“UPOH”):

Legal Opinion on Material Information

- Obtain a legal opinion issued by a lawyer practising in the place where the UPOH is situated covering:
 - (a) due diligence on the vendor and the UPOH confirming:
 - (i) that the vendor is: (aa) in existence; (bb) legally entitled to develop the UPOH; and (cc) legally entitled to sell the UPOH;
 - (ii) the vendor’s source of funds or financial arrangement with regard to the completion of the UPOH;
 - (iii) the relationship between the vendor and the developer, if they are not the same person/entity; and
 - (iv) the key information of the development of which the UPOH forms part;
 - (b) whether there is any form of restriction(s) for foreign purchasers to (i) purchase; (ii) resell; (iii) lease; and (iv) mortgage the UPOH according to the laws of the place where the UPOH is situated; and if so, the nature of such restriction(s); and
 - (c) whether there is any mechanism in place to safeguard the deposits or part payments made by the purchaser according to (i) the laws of the place where the UPOH is situated; and (ii) the terms of the relevant sale and purchase agreement (if any) which shall not be in conflict with the laws of the place where the UPOH is situated; and if so, the particulars of such mechanism and how the deposits or part payments will be dealt with pending completion of the purchase.

Advertisements and Promotional Materials

- Must not issue an advertisement or any promotional material wholly

or partly relating to their estate agency business (covering also information on the vendor and the UPOH) which includes any statement or particular that is false or misleading in a material particular.

- Obtain the vendor's express endorsement in writing of the accuracy and completeness of the information contained in advertisements and promotional materials.
- Must include certain information in the UPOH advertisements and promotional materials, which must also be presented or displayed in a specified manner.

Sales Documents to be Provided to Purchasers

- Provide the following documents to purchasers before they enter into any agreement or make any payment in relation to the purchase of the UPOH (whichever is the earlier):
 - (a) a copy of the legal opinion on material information;
 - (b) a separate written warning statement; and
 - (c) a sales information sheet.

Taxation, Payment and Financing Arrangements

- Advise purchasers of the need to seek independent professional advice on the types and amounts of taxes or levies that they may be liable to pay in respect of their own case.
- Provide information on payment arrangements based solely on the information provided by the vendor.
- Do not make any assurance on mortgage terms.
- Inform purchasers in writing (before they make any payment of moneys) to whom the payment will go, its purpose, and whether it is refundable.

Sale of Uncompleted Properties Situated Outside Hong Kong

In recent years, there has been rising concern about Hong Kong people buying properties outside Hong Kong. The regulatory regime and taxation system concerning purchase of properties differ from one

jurisdiction to another, and purchasing properties outside Hong Kong carries additional risks on top of those associated with property transactions in Hong Kong. Unlike properties in completed developments where property inspection may be feasible, there are more uncertainties with respect to the purchase of uncompleted properties¹ situated outside Hong Kong (“**UPOH**”) because purchasers do not have the opportunity to inspect these properties before they enter into an agreement for sale and purchase with the vendor, or in certain cases, even upon the payment of the balance of purchase price.

Currently, section 2 of the Estate Agents (Exemption from Licensing) Order (“**Exemption Order**”) provides exemption for certain person² dealing exclusively with properties outside Hong Kong from the requirement for obtaining a licence from the Estate Agents Authority (“**EAA**”). The pre-requisite of the Exemption Order, which requires the person to state in all his letters, accounts, receipts, pamphlets, brochures and other documents and in any advertisements that he is not licensed to deal with any property situated in Hong Kong, serves as an alert to consumers that such person is not regulated and his conduct would fall outside the EAA’s purview.

In light of a topical discussion in the community which suggests that all estate agents who engage in the sale of UPOH in Hong Kong should be licensed under the Estate Agents Ordinance (“**EAO**”), the EAA has carefully considered the issues and is of the view that regulating estate agents in Hong Kong alone would not and could not effectively resolve the wide-ranging issues associated with UPOH, which to various extents touch on the laws, regulations, property concepts and customary practices of different jurisdictions and the different protection (if any) these jurisdictions could provide to foreign buyers.

¹ For the purpose of this Circular, “uncompleted properties” include properties under construction or not yet constructed; and properties in an uncompleted building or development, whether the uncompleted works relate to the properties, the building and/or the development.

² “person” may be an individual or a company.

Developers of UPOH are free to promote their sales whether in Hong Kong or elsewhere, physically or on-line without engaging licensed estate agents, making it difficult to provide effective protection to consumers by merely regulating licensed estate agents. On the contrary, regulating estate agents alone in the sale of UPOH could create false expectation for consumers that comprehensive or sufficient protection is available to them, who might then become less cautious in their purchase of UPOH.

Notwithstanding the above, as some UPOH offered for sale in Hong Kong are indeed handled by licensees, to strengthen consumer protection and consumers' confidence in engaging licensees, the EAA considers it necessary to (i) bring out the differences between engaging licensees (whose conduct and practices are regulated by the EAA and must meet the requisite professional standard) and non-licensees (whose conduct and practices are not regulated by the EAA) when they engage in estate agency work relating to UPOH; and (ii) enhance the professionalism of licensees by making improvements to the existing requirements and issuing this Circular to set out the revised guidelines on the appropriate practices and measures for easier understanding and better adoption by licensees in handling the sale of UPOH.

This Circular No. 23-02 (CR) supersedes Circular No. 17-03 (CR) and shall take effect on 1 July 2024.

General Reminders

(2) When participating in the sale of properties outside Hong Kong³, licensees should be vigilant that such sale is subject to the laws of the place where the properties are situated and the property concepts, laws, regulations, legal processes, tax systems, customary practices and

³ Regardless of whether they are only engaged in estate agency work relating to properties outside Hong Kong or to properties both within and outside Hong Kong.

financing requirements are likely different from those in Hong Kong and there may be restrictions for foreign purchasers to buy, resell, lease, and/or mortgage these properties. As such, licensees:

- (a) must not make any representation that may mislead purchasers⁴ when they promote the sale of UPOH;
 - (b) must provide services to their clients with honesty, fidelity and integrity, and exercise due care and due diligence in fulfilling their duties; and
 - (c) must observe and comply with the relevant provisions in the EAO and its subsidiary legislation, the Code of Ethics and all applicable guidelines issued by the EAA from time to time.
- (3) Estate agency companies⁵ that engage in the sale of UPOH in a development must also take all reasonable steps to ensure that their staff to be involved in promotional activities for the development and/or the sale of the properties therein are familiar with the information about the development and all relevant guidelines issued by the EAA prior to their conduct of such activities.

Pre-Marketing

A. Legal Opinion on Material Information

(4) To enable purchasers to have a sufficient understanding of the background of the vendor and the UPOH, licensees must obtain a legal opinion (“**legal opinion**”) on material information issued by a lawyer

⁴ For the purposes of this Circular, the term “purchaser” or “purchasers” includes, where applicable, prospective purchasers.

⁵ The term “estate agency company” or “estate agency companies” refers to those firms or companies which are licensed estate agents under the EAO.

practising in the jurisdiction where the UPOH is situated, covering information as required in paragraphs (5) and (6) below before they participate in the sale or the promotional activities for such properties. If the lawyer could not provide any of the information as required in paragraphs (5) and (6) below in the legal opinion, he/she must not omit such information but must provide an explanation in the legal opinion as to why such information is not available.

(5) Estate agency companies must ensure that the legal opinion on material information with regard to the vendor and the UPOH must cover:

- (a) ***Due diligence on the vendor and the UPOH***, confirming:
 - (i) that the vendor is:
 - (aa) in existence;
 - (bb) legally entitled to develop the UPOH; and
 - (cc) legally entitled to sell the UPOH;
 - (ii) the vendor's source of funds or financial arrangement with regard to the completion of the UPOH;
 - (iii) the relationship between the vendor and the developer, if they are not the same person/entity (such as, whether the developer is a member of the same group of companies of which the vendor is also a member; whether both the vendor and developer are beneficially owned by the same third party; and/or the percentage shareholding one holds in the other, etc.); and
 - (iv) the following key information of the development of which the UPOH forms part:
 - (aa) address (e.g. name of street and number (known or tentative));
 - (bb) location (including for example, city, district and town, etc.);
 - (cc) freehold or leasehold (if leasehold, term of the

- lease enjoyable by the UPOH);
 - (dd) development permit or approval number(s) and the issuing authority;
 - (ee) current ownership;
 - (ff) subsisting encumbrances (e.g. undischarged mortgages, litigation and/or outstanding claims);
 - (gg) the permitted user (e.g. for residential, commercial, or industrial purpose) and user restriction (if any) of the UPOH; and
 - (hh) whether the purchaser is acquiring an interest in the land; an interest in the building to be erected thereon; and/or a right to use and occupy the properties in the building;
- (b) whether there is *any form of restriction(s)* for foreign purchasers to (i) purchase; (ii) resell; (iii) lease; and (iv) mortgage the UPOH according to the laws of the place where the UPOH is situated; and if so, the nature of such restriction(s); and
- (c) whether there is *any mechanism in place to safeguard the deposits or part payments* made by the purchaser according to (i) the laws of the place where the UPOH is situated; and (ii) the terms of the relevant sale and purchase agreement (if any) which shall not be in conflict with the laws of the place where the UPOH is situated; and if so, the particulars of such mechanism and how the deposits or part payments will be dealt with pending completion of the purchase.
- (6) Apart from covering the information in paragraph (5) above, the legal opinion must also state or contain the following information:
- (a) the name of the issuing lawyer;

- (b) the date of the legal opinion;
- (c) the date up to which the information contained in the legal opinion is valid;
- (d) the contact information of the issuing lawyer (i.e. correspondence address, contact number and email address); and
- (e) a copy of a valid practising certificate of the issuing lawyer issued by a relevant recognised authority (e.g. government department or professional body) confirming that the issuing lawyer is authorised to practice law in the jurisdiction where the UPOH is situated.

(7) The legal opinion and the valid practising certificate of the issuing lawyer must be issued in either Chinese or English. If the legal opinion and/or the valid practising certificate are issued in other languages, it must be accompanied by a certified translation⁶ of the same in either Chinese or English.

(8) The licensee concerned is required to forthwith produce a copy of the aforesaid legal opinion and the valid practising certificate of the issuing lawyer as well as their certified translation (if applicable) upon request by the EAA.

B. Advertisements & Promotional Materials

(9) No advertisements or promotional materials in relation to UPOH shall be issued by licensees other than estate agency companies. All such advertisements and promotional materials are the assets of the estate agency companies. Should it happen that the advertisements or

⁶ A certified translation must include a certification issued by an accredited translator or translation company which has received accreditation from an accrediting body (e.g. universities, translators' associations and government entities) certifying the linguistic competence of the translator and the accuracy of the translation. It should also contain the full name of the translator and the contact details (i.e. correspondence address, contact number and email address) of the accredited translator or translation company.

promotional materials are prepared, issued or distributed by employees or other persons under the control of the estate agency company, they are deemed to be prepared, issued or distributed (i) for and on behalf of or in the interest of their estate agency company; and (ii) by the estate agency company.

(10) Estate agency companies are thus primarily liable for any misleading or inaccurate property advertisements or promotional materials issued by them or their employees or other persons under their control and they may also be held responsible for the wrongful acts of such employees or other persons when such employees or other persons, in the course of carrying out their work, prepare, issue or distribute such advertisements or promotional materials for UPOH.

(11) When preparing advertisements or promotional materials to promote UPOH, estate agency companies must take all reasonable steps to verify the accuracy of the information contained in such advertisements or materials at the time of their issuance; and before issuance, obtain the vendor's express endorsement in writing of the accuracy and completeness of the information contained therein.

(12) Estate agency companies must not issue an advertisement or any promotional material wholly or partly relating to their estate agency business (covering also information on the vendor and the UPOH) which includes any statement or particular that is false or misleading in a material particular.

(13) Estate agency companies must not include in advertisements or promotional materials prepared, issued or distributed by them words which give the impression that purchasing UPOH is "safe", "low-risk" or "risk-free", or able to obtain "fast", "easy", or "high" yields or returns with "little" or "no" risk.

(14) Estate agency companies are required to establish proper and effective procedures and systems to ensure that their employees or other persons under their control comply with the provisions of the EAO and its subsidiary legislation, the Code of Ethics and the relevant guidelines issued by the EAA from time to time when such employees or other persons prepare, issue or distribute advertisements or promotional materials to promote UPOH.

(15) Estate agency companies must also ensure that any UPOH advertisements or promotional materials prepared, issued or distributed by them must contain the following prominent and legible information:

- (a) the estimated completion date of the development as confirmed by the vendor;
- (b) the business name as stated in the relevant statement of particulars of business of the estate agency company concerned;
- (c) the number of the licence or the relevant statement of particulars of business of the estate agency company concerned⁷ (“**Company Licence or SPOB Number**”); and
- (d) the EAA’s bilingual caution to consumers: “*To buy or not to buy non-local off-plan properties? Assess the risks before you buy!* 境外樓花買唔買？計過風險先好買！” (“**Caution Statement**”).

(16) With respect to printable advertisements and promotional materials of UPOH, in relation to the presentation of information as

⁷ For the avoidance of doubt, licensees are also required to comply with all other applicable guidelines issued by the EAA from time to time in relation to property advertisements, such as those set out in Circular No. 18-02 (CR).

mentioned in paragraphs (15)(c) and (d) above, licensees must comply with the additional requirements set out in paragraphs 1 to 3 in **Annex 1**.

(17) With respect to all other types of UPOH advertisements and promotional materials, in relation to the presentation of information as mentioned in paragraph (15) above, licensees must comply with the additional requirements set out in paragraph 4 in **Annex 1**.

Marketing

A. Capacity to Act

(18) When promoting the sale of UPOH, licensees must, at the first opportunity after they have successfully established contact with a purchaser⁸, inform the purchaser in writing of the following:

- (a) whether their estate agency company acts: (i) only for the vendor; or (ii) only for the purchaser; or (iii) for both the vendor and the purchaser; and (iv) in the cases of (i) and (ii) above, whether or not their estate agency company may act for both the purchaser and the vendor subsequently; and
- (b) whether their estate agency company and the licensees concerned are also licensed to carry out estate agency work in the place where the UPOH is situated.

(19) Licensees must act in an impartial and just manner to all parties involved in a transaction regardless of their capacity.

⁸ Generally, with respect to sale of UPOH, “successfully established contact with a purchaser” refers to the time when the licensee introduces the UPOH to the purchaser.

B. Sales Documents to be Provided to Purchasers

(20) Licensees must provide purchasers with the following documents before they enter into any agreement in connection with the purchase (e.g. booking form, reservation form, agreement for sale and purchase) or make any payment in relation to the purchase of UPOH (whichever is the earlier):

- (a) a copy of the legal opinion and the valid practising certificate of the issuing lawyer including their English or Chinese translation, if applicable, as mentioned in paragraphs (4) to (8) above;
- (b) a separate written warning statement as mentioned in paragraph (22) below; and
- (c) a sales information sheet related to the UPOH prepared or approved by the vendor as mentioned in paragraphs (23) and (24) below.

Legal Opinion

(21) In the event that the legal opinion mentioned in paragraph (20) above is issued by a lawyer engaged by the vendor, licensees must draw the purchasers' attention to such fact and advise the purchasers to consider seeking independent legal and/or professional advice related to the matters mentioned in the legal opinion.

Separate Written Warning Statement

(22) Licensees are required to provide a separate written warning statement to the purchasers before they enter into any agreement in connection with the purchase or make any payment in relation to the

purchase of UPOH (whichever is the earlier). Licensees must ensure that the separate written warning statement includes all the warnings set out in **Annex 2**.

Sales Information Sheet

(23) Licensees are required to provide a sales information sheet to the purchaser before they enter into any agreement in connection with the purchase or make any payment in relation to the purchase of UPOH (whichever is the earlier).

(24) Estate agency companies must ensure that the sales information sheet related to the UPOH must include all the details as set out in **Annex 3**. If the answer to a specific item as mentioned in **Annex 3** is “No”, “None” or “Nil”, licensees must state so in the relevant sales information sheet and must not omit the said item from the sales information sheet of the UPOH.

C. Taxation, Payment & Financing Arrangements

(25) Licensees are reminded that foreign taxation systems are complicated. Moreover, the reasons for purchasing properties may vary amongst foreign purchasers and the relevant taxes which apply to individual foreign purchasers may differ due to their own circumstances. As such, licensees should advise the purchasers of the need to seek independent professional advice on the types and amounts of taxes or levies that they may be liable to pay in respect of their own case.

(26) Licensees should only provide information to purchasers on payment arrangements (e.g. payment schedules and amounts) and the details (e.g. payment to be made to which party and in what currency) based solely on the information provided by the vendor.

(27) If a financing arrangement is desired or purchasers request such information, licensees must advise purchasers to check with banks, finance companies or the vendor concerned (if financing schemes are provided by the vendor concerned) directly on whether they will be able to obtain the needed mortgage loan to purchase the UPOH, which may depend on an individual's own circumstances. Licensees must not guarantee, assure, or otherwise state to the purchasers that the latter will be able to obtain the desired financing or at the desired terms.

(28) If licensees request a purchaser to make any payment of moneys (including booking or reservation fee, earnest moneys, and/or deposits, etc.) in relation to the purchase of UPOH, they must, before the purchaser makes any such payment, inform the purchaser in writing to whom the payment will go, its purpose, and whether it is refundable.

Others

A. Obtain Written Acknowledgement from Purchasers

(29) The licensee concerned, in order to protect his own interests in the case of disputes, is advised to obtain a written acknowledgement from the purchasers that, before they enter into any agreement or make any payment in relation to the purchase of the UPOH, they have received the sales documents as mentioned in paragraph (20) above and fully understand the contents of the same.

B. Record Keeping

(30) Licensees are required to keep documents and records as evidence of their compliance with the requirements of this Circular, and shall, upon the EAA's request, forthwith produce such evidence to substantiate the aforesaid.

C. Warning on Potential Collective Investment Scheme

(31) Licensees should be aware that the sale of properties (e.g. student hostels and hotel rooms) may, depending on the terms and investment arrangement of such properties, constitute a sale of interests in a collective investment scheme (“**CIS**”)⁹ which is governed by the Securities and Futures Ordinance (“**SFO**”). The promotion and offering to the Hong Kong public to acquire an interest or participate in a CIS (e.g. the advertisements and distribution of promotional materials) without prior authorisation by the Securities and Futures Commission (“**SFC**”) constitute an offence under section 103 of the SFO unless an exemption under the SFO applies. It is also an offence under section 114 of the SFO to carry on a business of promoting interests in a CIS without a licence from the SFC. Licensees are therefore reminded not to engage in activities which may involve an unauthorised CIS in contravention of the SFO when promoting the sale of UPOH.

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Licensees who fail to comply with the above guidelines may be disciplined by the EAA. Estate agency companies and their management may also be disciplined for failing to establish a proper system to manage their business.

December 2023

Holders of Statements of Particulars of Business
 should bring this Circular to the attention of all staff
 engaged in estate agency work

⁹ In brief, a CIS, as defined under the SFO, means an arrangement in respect of any property under which the participants do not have day-to-day control over the management of the property, the property is managed as a whole by or on behalf of the person operating the arrangement, and/or the contributions of the participants and the profits or income from which payments are made to them are pooled, and the purpose of the arrangement is for participants to receive profits, income or other returns from the acquisition or management of the property. For the definition of a CIS, please refer to Schedule 1 to the SFO.

**Presentation Requirements for Information Contained in
UPOH Advertisements and Promotional Materials**

For printable UPOH advertisements and promotional materials¹

1. The Company Licence or SPOB Number² and the Caution Statement³ must be legibly displayed at the top of the advertisement or promotional material.
2. If the size of the advertisement or promotional material is not larger than A4, the size of the letters or numbers with respect to the Company Licence or SPOB Number and the Caution Statement must not be smaller than the size of the same letters or numbers set in 12 point.
3. If the size of the advertisement or promotional material is larger than A4, the Company Licence or SPOB Number and the Caution Statement must occupy at least 5% of the whole area of the advertisement or promotional material and must be displayed in same manner as stated in paragraph 1 above.

For all other types of UPOH advertisements and promotional materials⁴

4. The following rules shall apply:
 - (a) For audio advertisements and promotional materials with no visual display, all the information (including the Caution Statement) as mentioned in paragraph (15) of this Circular must be audibly and clearly read out in a voice-over at the end of each broadcast.
 - (b) For visual advertisements and promotional materials,

¹ E.g. advertisements and promotional materials published in newspaper, posters, brochures, banners.

² Paragraph (15)(c) of this Circular refers.

³ Paragraph (15)(d) of this Circular refers - *“To buy or not to buy non-local off-plan properties? Assess the risks before you buy! 境外樓花買唔買? 計過風險先好買!”*.

⁴ E.g. advertisements and promotional materials broadcast on radio, television and in cinemas.

- (i) all the information (excluding the Caution Statement) as mentioned in paragraph (15) of this Circular must be displayed for the entire time in order to allow viewers to read the entire text of the disclosure with reasonable ease; and
- (ii) With respect to the Caution Statement,
 - (aa) if the visual advertisement or promotional material does not contain any audio, it must be prominently displayed at the end to allow viewers to read the entire text with reasonable ease; or
 - (bb) if the visual advertisement or promotional material contains audio as well, it must be prominently displayed as required under sub-paragraph (b)(ii)(aa) above and audibly and clearly read out in a voice-over at the end.

Warnings Contained in Separate Written Warning Statement

Licensees must ensure that the separate written warning statement to be provided to the purchasers as mentioned in paragraph (22) of this Circular must include all of the following warnings, that the purchasers should:

- (a) conduct due diligence on the vendor and the UPOH themselves;
- (b) review all sales documents as mentioned in paragraph (20) of this Circular carefully;
- (c) pay attention that risks are involved in purchasing UPOH as:
 - (i) the transaction is subject to the laws and any change in policies and regulation of the place where the UPOH is situated;
 - (ii) in the event that the vendor is in breach of any agreement or promises or the transaction is fallen through, purchasers may have to take legal action or seek remedies outside Hong Kong;
 - (iii) even though due diligence has been conducted on the vendor, there is no guarantee that it will be able to complete the development on time or at all or it will be able to honor the rental return or guarantee (if any) as promised; and
 - (iv) fluctuation in exchange rate may adversely affect purchasers' purchase or return;
- (d) consider appointing an independent lawyer to protect their own interests at all stages of the purchase and seek his assistance to explain the terms and conditions of any agreement in connection with the purchase (e.g. booking form, reservation form, agreement for sale and purchase) before entering into such agreement; and
- (e) consider seeking independent professional advice on the types and

amounts of taxes or levies that they may be liable to pay as foreign purchasers in relation to the purchase, resale, lease or holding of the properties, if any, in respect of their own case to protect their interests.

Details of Information Contained in Sales Information Sheet

Estate agency companies must ensure that the sales information sheet related to the UPOH is prepared or approved by the vendor containing all of the following:

1. Basic Information on the development

- (a) Address (e.g. name of street and number (known or tentative))
- (b) Location (including for example, city, district and town, etc.). If a map or plan is provided showing the location of the UPOH, it should be drawn to scale
- (c) Current owner
- (d) Vendor (if different from owner)
- (e) Developer (if different from vendor) and its relationship with the vendor (such as, whether it is a member of the same group of companies of which the vendor is also a member; whether both the vendor and the developer are beneficially owned by the same third party; and/or the percentage shareholding one holds in the other, etc.)
- (f) Development permit or approval number(s) and the issuing authority
- (g) Permitted user (e.g. for residential, commercial, or industrial purpose) and user restriction (if any)

2. Property Details

- (a) Description
- (b) Area (with clear definition as to what is included in the area)
- (c) Freehold or leasehold (if leasehold, term of the lease enjoyable by the property)
- (d) Estimated handover date
- (e) Final handover deadline
- (f) A copy of the approved floor plan

3. Payments

- (a) Purchase price
 - (i) Payment schedules and amounts

- (ii) Payment to whom and the capacity of recipient(s)
- (iii) Whether there is any stakeholder arrangement to safe-guard the payments, and if so, details of the arrangement
- (b) Types of fees and expenses incidental to the purchase of the property (e.g. stamp duties, solicitor fees, agency fees)

4. Cooling-off Period

- (a) Whether there is any cooling-off period, and if so, length of the period
- (b) Whether any funds paid are refundable during the cooling-off period, and if so, the amount of such refund

5. Defect Liability Warranty Period

- (a) Whether there is any defect liability warranty period during which the vendor is liable to make good any defect in the property
- (b) And if so, length of the warranty period

6. Financial Incentives

- (a) Whether any financial incentives (e.g. guarantees on rental yield or investment return) is offered in connection with the purchase of the property
- (b) And if so, the following information:
 - (i) by whom;
 - (ii) if the company/person providing the financial incentives is not the vendor of the UPOH, the financial background of such company/person (e.g. source of funds) and its relationship with the vendor, if any (such as, whether it is a member of the same group of companies of which the vendor is also a member; whether both the vendor and the company providing the financial incentives are beneficially owned by the same third party; and/or the percentage shareholding one holds in the other, etc.);
 - (iii) when (e.g. upon completion of purchase) and how (e.g. discount on the price) will the incentives be honored;
 - (iv) whether the incentives to be offered will be incorporated into any agreement (e.g. agreement for sale and purchase); and
 - (v) details of any assurance in respect of the financial incentives (e.g.

financial guarantee insurance).

7. Legal and Interpretation Service

- (a) Whether there is any arrangement in place on engaging a foreign lawyer and (if necessary) interpreter to explain the terms and conditions of purchase and attend to purchasers' enquiries prior to the execution of the agreement for sale and purchase
- (b) And if so, whether the foreign lawyer acts for (i) the vendor only; (ii) the purchasers only; or (iii) both parties

8. Governing Law and Dispute Resolution Venue

- (a) Governing law of the transaction
- (b) Venue(s) to seek recourse in the event of dispute with the vendor

9. Warning

The following warning must be prominently stated on the sales information sheet:

“Purchasing uncompleted properties situated outside Hong Kong is complicated and contains risk. You should review all relevant information and documents carefully before making a purchase decision. If in doubt, please seek independent professional advice before making a purchase decision.”

Reminder:

To comply with paragraph (20) of this Circular in relation to provision of sales documents for purchasers, apart from the sales information sheet as mentioned in paragraphs (23) and (24) of this Circular, licensees are also required to provide purchasers with:

- (a) the legal opinion on material information as mentioned in paragraphs (4) to (8) of this Circular; and***
- (b) the separate written warning statement as mentioned in paragraph (22) of this Circular.***