

**Conduct in promotional activities and the provision of property
information for the first sale of residential properties
(Circular No. 13-04(CR))**

Checklist for *Licensees*

- Attend pre-sale briefing before engaging in any promotional activity (para 7)
- Inform prospective purchasers in writing whether the estate agency company acts for the vendor and/or purchaser (para 9)
- Use saleable area in the provision of information on floor area and unit price (para 13 & 39)
- Advise prospective purchasers that sales brochure prepared by the vendor contains all information required by the relevant law and any other promotional materials do not form part of the sales brochure (para 16)
- Provide latest version of the sales brochures and price lists to prospective purchasers, or advise them to obtain and read the same at the vendor's sales office(s), the designated website or the Sales of First-hand Residential Properties Electronic Platform (para 17, 18, 20, 21, 23 & 26)
- Advise prospective purchasers to refer to the "Note to Purchasers of First-hand Residential Properties" before they make a purchase decision (para 22)
- If other sales agents are also appointed by the vendor and allotted with different flats, inform prospective purchasers of the same and that their names are set out in the price list (para 24)
- Do not seek or accept any expression of intent to purchase before the relevant price list is made available or the sale of the property has commenced (para 25)

- Provide property information based on the latest information contained in the sales brochure and documents provided by the vendor and after verification of the information (para 27)
- Remind prospective purchasers to pay attention to the actual dimensions of the units and that they may take measurements of show flats (para 28)
- Do not make misleading representations (para 29)
- Do not make any assurance on mortgage terms (para 31)
- Advise prospective purchasers to consult the price list for information on any gift, or financial advantages or benefit offered by the vendor (if any) (para 32)
- Inform prospective purchasers of the details of incentive schemes and set out any promise of incentives in writing (para 33)
- Do not issue advertisement or promotional material (para 37)
- Provide transaction information of a development based on the information from the Register only and specify the time frame of the information (para 43)
- Verify the accuracy of information from the Register before informing prospective purchasers that units on a certain floor or in a certain block or of a certain size of a development are all sold out, and also state whether all the units on that floor or in that block or of that size are sold out, or whether only the units allotted to their respective estate agencies are sold out (para 44)
- Do not request prospective purchasers to provide identification document and/or credit card unless at the request of the vendor and any such request must be in writing and state the purposes for which the identification document/credit card will be used (para 46)

- Obtain permission from prospective purchaser before keeping his identification document or credit card for the stated purposes (para 47)
- Obtain the written approval of the prospective purchaser before any arrangement is made to use the credit card for payment (para 48)
- Do not solicit or accept deposits from a prospective purchaser without the vendor's authorization (para 52)
- Do not make loans to a prospective purchaser (para 55)

Additional items for *Estate Agency Company/Controller*

- Appoint a controller to oversee all matters (para 2)
- Provide the name, licence number and contact details of the controller to the EAA (para 2)
- Ensure that the number of staff deployed to sales sites is manageable (para 3)
- Provide pre-sale briefing(s) to staff (para 4 & 5)
- Keep proper records of the briefing(s) (para 6)
- Monitor compliance with the relevant law and guidelines by taking quality control measures (para 8)
- Ensure that the duties of sales agents of the vendor are clearly set out in the appointment letter/ agreement with the vendor (para 11)
- Issue clear guidelines on the offer of incentives to prospective purchasers (para 34)
- Obtain written consent of the vendor before issuing any advertisement or promotional material (para 37)

- Obtain the vendor’s express endorsement in writing of the accuracy and completeness of the information contained in the promotional materials and ensure compliance of the relevant requirements in the Residential Properties (First-hand Sales) Ordinance (“the Ordinance”) (para 38)
- Use saleable area in the provision of information on floor area and unit price in advertisements (para 13 & 39)
- Advertisements showing an artist’s impression of the development or its surrounding area must contain a statement specified in section 74 of the Ordinance (para 40)

Attention: This checklist is compiled to serve as general reference for licensees to review their practice on the conduct of promotional activities and the provision of property information for the first sale of residential properties and to ensure that they are in compliance with the Circular No. 13-04(CR) issued by the EAA only. The information contained in the checklist is not intended to be exhaustive. Licensees are reminded that they are obliged at all times to observe and comply with the applicable law and, in particular, the Residential Properties (First-hand Sales) Ordinance, the Estate Agents Ordinance and its subsidiary legislation, and also the Code of Ethics and practice circulars issued by the EAA from time to time in handling the first sale of residential properties.