



新聞稿
Press Release

**EAA to issue a practice circular on
first sale of residential properties**

(12 April 2011) The Estate Agents Authority (EAA) today announced the issuance of a new practice circular on the sale of first-hand properties. It also met with the representatives from eight trade associations and the management of six estate agency companies specializing in first sales, explaining the content of the circular to these licensees in detail and reminding them to ensure their frontline estate agency practitioners comply with the requirements.

The new circular covers the conduct in promotional activities in relation to the first sale of residential properties. Mr William Leung Wing-cheung, Chairman of Practice and Examination Committee of the EAA, said, “EAA has been very concerned about the practice and order of practitioners in their first-sale promotional activities. In May last year, the EAA updated and issued three practice circulars in this regard, which have achieved its regulatory objectives. However there is still room for improvement and tightening so that consumers’ interests can be better protected.”

Mr Leung added, “The problems associated with the new development ‘The Icon’ at Mid-levels in January this year aroused much concern in the community. The EAA reviewed the existing practice circulars and the current practice of the trade in promotional activities and decided to revise parts of the related circular and issue a new one, so that the circular can more comprehensively address various issues identified.”

EAA Director of Regulatory Affairs & General Counsel Ms Eva Lau pointed out that two of the three circulars issued last year remain



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valid and effective, the remaining one (circular no. 10-03(CR)) will be updated and replaced by this new circular which contains certain new guidelines.

Today, the EAA met with the representatives from eight trade associations and the management of six property agencies specializing in first sales again to explain the guidelines to them in detail and remind them to adopt appropriate measures to ensure practitioners' compliance. In addition, the EAA will organize seminars for frontline practitioners, as part of its continuing professional development programme, to ensure better understanding of the new guidelines.

The circular will be posted on the EAA website on 1 May 2011 and will take effect then. Gist of the circular is in Annex 1.



Chairman of the Practice & Examination Committee of the EAA Mr William Leung and Director of Regulatory Affairs & General Counsel Ms Eva Lau brief the press on the new practice circular on first sale of residential properties.



Practice circular relating to the conduct in promotional activities in the first sale of residential properties

Gist of the new guidelines in the updated practice circular:

1. Staff training

- Give proper training to staff to ensure that they are equipped with the necessary knowledge and expertise to handle the first sale of residential properties in compliance with the law.

2. The controller

- Appoint a controller to oversee all matters relating to the conduct in promotional activities in the first sale of residential properties.

3. Pre-sale briefings

- Provide a pre-sale briefing(s) to staff prior to their conducting any promotional activities for the sale of units in each development.
- The pre-sale briefing(s) must include, but not limited to, information about the development and guidelines given by the EAA regarding the conduct in promotional activities and order at first-sale sites.
- Keep proper records of the pre-sale briefing(s) and supply



such records to the EAA upon request.

4. Quality Control

- Take reasonable measures to ensure and monitor that staff involved in promotional activities of the first-sale follow the guidelines given in the pre-sale briefing(s) and conduct promotional activities in compliance with the law and guidelines promulgated by the EAA.

5. Sales brochures for developments not subject to the Consent Scheme

- Advise the developer in writing to follow the requirements of the Legal and Advisory And Conveyancing Office for the Consent Scheme to provide sales brochure.

6. Promotional materials

- Verify the accuracy of the information in the promotional materials and obtain the developer's express endorsement in writing of the accuracy of the information contained therein before issuance.

7. Sales brochures and price lists

- Do not prepare their own sales brochures or price lists.

- End -