



地 產 代 理 監 管 局
ESTATE AGENTS AUTHORITY

Dear Licensees,

**Re: Arranging for clients to
sell or purchase properties by way of transfer of shares**

Ever since the introduction of measures by the Government to cool the property market, the Estate Agents Authority (EAA) has noticed that some licensees have arranged for their clients to enter into an agreement for the sale and purchase of shares in a limited company which holds a property, as a means to save stamp duties. The EAA would like to remind licensees that it is inappropriate and highly risky for licensees to do so without legal advice.

An agreement for the sale and purchase of shares is a complicated legal document. Purchasers may take over the debts and liabilities of a limited company at the same time with the transfer of the shares. Therefore, licensees should recommend their clients to seek legal advice before entering into the agreement in order to prevent them from suffering any loss resulting from the transaction.

The EAA has reviewed the Practice Circular No.05-08(CR) entitled: “Sale and Purchase of Property by way of Transfer of Shares”, the content of which remains valid to-date. Licensees’ attention is now drawn to this circular again, which reminds that it is inappropriate for licensees to arrange for a transfer of shares without legal advice. Please browse at: www.eaa.org.hk/Compliance/Practicecirculars/SaleandPurchaseofPropertybyway/tabid/258/language/en-US/Default.aspx

Estate Agents Authority

22 April 2013