Dear Licensees,

Re: Advertisements issued in respect of first-hand residential properties

The Estate Agents Authority ("EAA") noticed that some estate agents have reportedly breached the law when issuing advertisements in respect of first-hand residential properties. The EAA would like to remind licensees that Practice Circular No.13-04(CR) ("the Practice Circular") issued in light of the requirements under the Residential Properties (First-hand Sales) Ordinance ("the Ordinance") has already come into effect since 29 April. Licensees must comply with the Practice Circular and the Ordinance when they sell and promote first-hand residential properties.

According to the Practice Circular, estate agency companies must obtain the written consent of the vendor before they issue any advertisement or promotional material. When preparing materials to assist vendors to promote a development, licensees must take all reasonable steps to verify the accuracy of the information contained in such materials, and before issuance, obtain the vendor's express endorsement in writing of the accuracy and completeness of the particulars contained therein, and ensure that the relevant requirements of the Ordinance are complied with.

If licensees fail to comply with the Practice Circular, they may be subject to disciplinary actions by the EAA. Licensees should, therefore, read the Practice Circular carefully and refer to the set of relevant "Questions and Answers" and "checklist for licensees" prepared by the EAA for the trade, which are available at the EAA's website. (http://www.eaa.org.hk/Compliance/Practicecirculars/tabid/101/language/en-HK/Default.aspx)

Moreover, part 3 of the Ordinance stipulates detailed provisions regarding advertisements in respect of first-hand residential properties. Licensees should read the Ordinance for a better understanding of the



provisions relating to their practice, and which are required to be observed or complied with. The full version of the Ordinance is available at www.legislation.gov.hk

Estate Agents Authority

8 May 2013