

SRPA initiates prosecution against first-hand residential development vendor for suspected contraventions of ordinance

The Sales of First-hand Residential Properties Authority (SRPA) today (May 17) said that, a vendor, in offering a first-hand residential development to be sold by way of tender, was suspected of contravening the Residential Properties (First-hand Sales) Ordinance because of insufficient transparency in the transaction information. The SRPA has laid a summons to initiate prosecution against the vendor concerned.

The SRPA noticed earlier that there were individual cases of first-hand residential developments offered to be sold by way of tender with insufficient transparency in the sales process and the transaction information, which might have contravened the Ordinance. As such, the SRPA proactively investigated these cases. After investigation, collecting evidence and seeking Department of Justice's advice, it is decided to prosecute the vendor of the development concerned.

The development concerned is located at Pak Shek Kok. After selling the relevant residential properties in the development on March 22, 2019, the vendor did not set out full details of the terms of payment in the Register of Transactions and was suspected of contravening sections 59(1)(g) and 59(6) of the Ordinance.

The case will be heard in Kwun Tong Magistrates' Courts on July 9.

According to the Ordinance, the vendor commits an offence if it does not set out the terms of payment (including any discount on the price, and any gift, or any financial advantage or benefit, made available in connection with the purchase) in the Register of Transactions for the development and is liable to a fine of \$500,000 upon conviction.

Apart from the above prosecution work, the SRPA issued a Reminder for the Trade on April 12, requiring vendors to set out the full details of the terms of payment as agreed between vendor and purchaser for the purchase of each specified residential property if they have offered any discount, gift, financial advantage or benefit to the purchasers in the sales of first-hand residential properties. Such information would assist prospective purchasers to better understand the market conditions and obtain accurate information to make informed decisions when purchasing first-hand residential properties. Moreover, the Register of Transactions should be self-contained so that prospective purchasers do not have to refer to other documents or materials for details of the terms of payment.

In addition, the SRPA has launched an Announcement in the Public

Interest for broadcast on radio stations today to remind prospective purchasers that if they are going to bid for a first-hand residential property, they should refer to the Register of Transactions of the development before bidding to know the prices, rebates and benefits of similar properties; should bear in mind that the relevant rebates may affect the loan-to-value ratio and the mortgage amount; and should make a deliberate decision before bidding as the deposit will be forfeited if they do not make a purchase after a successful bid.

"The SRPA has all along been taking a three-pronged approach to enforce the Ordinance, i.e. to step up compliance checks, inspections, as well as collection of required evidence for prosecutions; to continuously improve the trade's compliance with the Ordinance; and to foster public awareness of the Ordinance. The Government will take action seriously on any cases involving insufficient transparency in the sales process and transaction information. We will continue to monitor closely the sales of first-hand residential properties by tender to ensure that the level of transparency of the sales of first-hand residential properties by tender is the same as that for open sales with price lists," a spokesman for the SRPA said.