

Matter pertaining to Practice Note No. PN01/24

Disclosure of relationship between vendor and the manager appointed under the deed of mutual covenant

1. The Sales of First-hand Residential Properties Authority (“SRPA”) has issued the Practice Note No. PN01/24 to set out new best practices on the disclosure of relationship between the vendor of first-hand residential development/phase and the manager appointed under the deed of mutual covenant (“DMC Manager”). Vendors are encouraged to adopt the arrangements from 4 October 2024.

2. When the identity of DMC Manager is available, vendors are recommended to prepare and issue a document (“the Document”) setting out the identity of DMC Manager and the relationship between the DMC Manager and the vendor of the development/phase as follows:

- The Document should indicate whether the DMC Manager is an associated company of the vendor of the development/phase within the meaning of the Companies Ordinance (Cap. 622). If there is such a relationship, the vendor should state how it is associated with the DMC Manager. If there is no such relationship, the vendor should state that there is no such relationship. A recommended template has been set out in paragraph 4 of the Practice Note No. PN01/24;
- The Document should state the date on which it is issued and be printed in English and Chinese;
- On a date of sale, vendors are recommended to make available a copy of the Document for inspection on the webpage of the website designated by the vendor for the development/phase where a copy of the executed DMC or the latest draft DMC, as the case may be, is placed as required under section 49(1) of the Residential Properties (First-hand Sales) Ordinance. Preferably, vendors could also provide the information in the Document in other publications or promotional materials, where appropriate, for reference by prospective purchasers; and
- If there are changes to the information, the vendor should update the Document containing the information as soon as practicable, preferably within 5 working days of the change.