

PAPT – Standard clauses for incorporation into the BMI-Buyer Contract on a mandatory basis without modification or qualification

Notes:

- (1) The following standard clauses shall be incorporated into a contract to be entered into between the BMI and the Buyer prior to Dday (the “BMI-Buyer Contract”). The BMI should carefully consider and review the design of its internal procedure to check and confirm whether the standard clauses have been validly and effectively incorporated into the BMI-Buyer Contract of each conveyancing transaction.*
- (2) The BMI-Buyer Contract shall be drafted so that it captures the agreement of the Buyer to the standard clauses.*
- (3) Depending on the BMI’s review and analysis of its particular set of contract documentation and its processes, a document that may potentially be used as the base document for incorporation of the standard clauses is the mortgage application form that will be submitted by the Buyer to the BMI. The standard clauses below may be incorporated to the mortgage application form as an additional page attached with a signature block by the Buyer. If however it is the case for a bank that the mortgage application form only constitutes an “invitation to treat” from the Buyer to the BMI and that it will be superseded by subsequent offer document to be issued by the BMI to the Buyer for its acceptance, please ensure that the standard clauses are incorporated in such offer document by the BMI for acceptance (by signature) by the Buyer.*

**** Standard clauses for incorporation ****

To: [name of BMI]

Re: [Address of target property] (the “Property”)

In consideration of the services provided and to be provided by you to us/me and the proposed grant of the mortgage loan in connection with our/my purchase of the Property, we/I hereby agree, acknowledge and confirm that:

1. In respect of the sale and purchase of the Property, we/I hereby elect to adopt the payment arrangements for property transactions in respect of the sale and purchase transaction, under which you are authorised to transfer the net mortgage loan amount to the Appointee Bank (as defined below) via the Hong Kong Dollar Clearing House Automated Transfer System or via internal bank transfer (as the case may be) in payment (or in part payment) of the balance of the purchase price.
2. The terms and conditions of the [“Terms and Conditions in relation to the operation of PAPT”] as published on the website of the Hong Kong Association of Banks (“**HKAB**”) ([insert link]) (the “**T&C**”) form part of the contractual relationship between you and us/me (the “**BMI-Buyer Contract**”) and we are bound by the T&C. The applicable version of the T&C shall be the T&C as of the date of the provisional sale and purchase agreement (or in the absence of a

provisional sale and purchase agreement, the formal sale and purchase agreement) that has been entered into between me and the seller of the Property.

3. “**Appointee Bank**” shall mean:
 - (a) where there is an existing mortgage over the Property as registered at the Land Registry of Hong Kong, the existing mortgagee of the Property; or
 - (b) where there is no existing mortgage over the Property, a bank to be designated by the seller of the Property as the bank which provides mortgage services for the purpose of receiving the payment (or part payment) of the balance of the purchase price.
4. The BMI-Buyer Contract shall be governed by the laws of Hong Kong. The parties irrevocably agree that the courts in Hong Kong shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with the BMI-Buyer Contract.

SIGNED by the Buyer:)

_____)

Name: _____)

_____)

In the presence of:-)

_____)

Solicitor, Hong Kong _____)