

**Proposed Undertaking Letter for Sale and Purchase Transactions under  
Payment Arrangements for Property Transactions**

*[Conveyancing Scenario 1: Where there is an existing mortgage]*

To: ABC (name under which the firm practises)

[acting for the ~~Seller~~Vendor]

[Date]

Dear Sirs,

Re: Property: Identify clearly the property involved

On behalf of our client \_\_\_\_\_ and in order to complete the purchase of the above property on \_\_\_\_\_ (the “~~completion date~~Completion Date”) we enclose herewith our written confirmation of the ~~BMI-Buyer~~PMI/Buy-side Contract having been duly signed by our client and [one] CHATS Advice<sup>1</sup> with the payment detail and remittance amount as stated therein and the following cheques (cashier’s orders) for the total sum of \$ [●] representing the total amount payable to complete the purchase (and to obtain possession) as mentioned in your letter of \_\_\_\_\_ and they are split up as follows: -

- (1) [One] CHATS Advice for the sum of \$ [●] (the “**Remittance Amount**”), which has been transferred from the mortgagee of our client (the “~~Buyer’s~~Purchaser Mortgage Institution”) to the mortgagee of your client (the “~~Seller’s~~Vendor Mortgage Institution”);
- (2) One cheque (cashier’s order) in favour of the ~~Seller’s~~Vendor Mortgage Institution for the sum of \$ [●] representing the amount of principal and interest calculated up to \_\_\_\_\_ outstanding on the existing mortgage/legal charge of the above property as mentioned in your letter dated \_\_\_\_\_ less the Remittance Amount; and
- (3) One cheque (cashier’s order) in your client’s/client(s)’ favour for the sum of \$ [●] representing the balance of the sum payable upon completion after repayment of the said sum of \$ [●] to the ~~Seller’s~~Vendor Mortgage Institution as mentioned in item (1) and (2) above.

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<sup>1</sup> CHATS Advice will be replaced by Bank Advice if the ~~Buyer’s~~Purchaser Mortgage Institution is the same as the ~~Seller’s~~Vendor Mortgage Institution. If more than one CHATS Advice has been issued, insert the correct number of the CHATS Advice.

The CHATS Advice and the cheques (cashier's orders) are sent to you against your firm's personal undertakings (subject to the usual Law Society qualifications):

1. To send to us within [twenty-one (21)/seventeen (17)] days from the date of your receipt of this letter:
  - a. the enclosed Assignment of the above property duly executed by your client(s) (who must be properly identified) and attested;
  - b. an apportionment account in respect of the above property showing the balance due from or payable to our client and in the event of any money being payable by your client(s) to our client as per such apportionment account to arrange a remittance of the amount so payable to us. Conversely, should there be a balance payable by our client to your client(s) subject to the apportionment account being verified and agreed we will arrange a remittance of the amount so payable to you or your client(s) ~~);~~;
  - c. either (i) the Release/Receipt on Discharge of the existing Mortgage/Legal Charge (Memorial No. ~~\_\_\_\_\_~~) duly executed by the Vendor Mortgage Institution and attested together with the Memorial thereof duly completed and signed by the solicitor who prepared the same and your cheque for the registration fees payable on the Release/Receipt on Discharge (together with signed Notification of Payment/Satisfaction of Debt, Release from Charge, etc. for filing with the Companies Registry and the filing fees therefor ~~);~~); or (ii) a certified copy of the Release/Receipt on Discharge releasing/discharging (inter alia) the above property from the existing Mortgage/Legal Charge (Memorial No. ~~\_\_\_\_\_~~) and confirmation that the same has been dated (the date being no later than the ~~completion date~~ Completion Date) and registered or delivered for registration so that subject to stamping no impediment will exist to immediate registration of the assignment forwarded to us ~~);~~ and
  - d. all title deeds and documents including certified copies of the occupation permit and Certificate of Compliance (if applicable) to which the purchaser is entitled and the Deed of Mutual Covenant and the Management Agreement (if any).
2. To be responsible for any additional registration fees which may be imposed should any document(s) sent by you to us for registration be stopped or withheld from registration as a result of your fault or omission.

Note

Delete if  
possession not  
being given or  
otherwise  
identify the  
arrangements  
regarding  
delivery of  
vacant  
possession.

3. [To forward to us forthwith the keys of the above property or the necessary written authority to collect the keys so that possession can be taken without delay.]
4. [To obtain and send us within twenty-one (21) days from the date of receipt of this letter a Statutory Declaration by the vendor under Section 5 of the ~~Power~~Powers of Attorney Ordinance that at the time of the Assignment to the vendor (Memorial No. \_\_\_\_\_) executed by (~~donee~~Donee) as attorney—— of (Donor) he, the vendor, did not know of any revocation of the power of attorney under which the Assignment to the vendor was executed.]
5. To produce to us a copy of the Appointee Bank-~~Seller~~/Sell-side Contract duly signed by your client (or an extract thereof) upon our demand.

Your undertakings will be deemed given unless:-

- (i) you advise us to the contrary in writing as soon as practicable indicating the revisions to the undertakings you require and we are unable to agree a revised form of undertakings; or
- (ii) you notice the redemption reference or other information in the CHATS Advice is incorrect and no CHATS Advice Correction Notice has been issued notwithstanding that you have duly and promptly advised us of such incorrect redemption reference or such other incorrect information.

You shall not send the CHATS Advice to the ~~Seller's~~Vendor Mortgage Institution nor procure to have the cheques (cashier's orders) presented for payment in any of the aforesaid circumstances in (i) or (ii).

Subject as aforesaid, you may release the cheque (cashier's order) drawn in your client's/client(s)' favour to your client/client(s) and send the CHATS Advice and the cheque (cashier's order) drawn in the ~~Seller's~~Vendor Mortgage Institution's favour to the ~~Seller's~~Vendor Mortgage Institution.

Yours faithfully,

*[Conveyancing Scenario 2: Where there is no existing mortgage]*

To: ABC (name under which the firm practises)

[acting for the ~~Seller~~Vendor]

[Date]

Dear Sirs,

Re: Property: Identify clearly the property involved

On behalf of our client \_\_\_\_\_ and in order to complete the purchase of the above property on \_\_\_\_\_ (the “~~completion date~~Completion Date”) we enclose herewith our written confirmation of the ~~BMI-Buyer~~PMI/Buy-side Contract having been duly signed by our client and [one]~~(1)~~ CHATS Advice<sup>2</sup> with the payment detail and remittance amount as stated therein and [one]~~(1)~~ cheque (cashier’s order) for the total sum of \$ [●] representing the total amount payable to complete the purchase (and to obtain possession) as mentioned in your letter of \_\_\_\_\_ and they are split up as follows: -

- (1) [One]~~(1)~~ CHATS Advice<sup>2</sup> for the sum of \$ [●] (the “**Remittance Amount**”), which has been transferred from the mortgagee of our client (the “~~Buyer’s Purchaser~~ **Mortgage Institution**”) to the relevant account bank of your client (the “~~Seller’s~~Vendor **Account Maintainer**”); and
- (2) [One]~~(1)~~ cheque (cashier’s order) in your client’s/client(s)’ favour for the sum of \$ [●] representing the sum payable upon completion less the Remittance Amount.

The CHATS Advice<sup>2</sup> and the cheque(s) (cashier’s order(s)) are sent to you against your firm’s personal undertakings (subject to the usual Law Society qualifications):-

1. To send to us within [twenty-one (21)/seventeen (17)] days from the date of your receipt of this letter:
  - a. the enclosed Assignment of the above property duly executed by your client(s) (who must be properly identified) and attested;
  - b. an apportionment account in respect of the above property showing the balance due from or payable to our client and in the

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<sup>2</sup> CHATS Advice will be replaced by Bank Advice if the ~~Buyer’s Purchaser~~ Mortgage Institution is the same as the ~~Seller’s Mortgage Institution-Vendor Account Maintainer~~. If more than one CHATS Advice has been issued, insert the correct number of the CHATS Advice.

event of any money being payable by your client(s) to our client as per such apportionment account to arrange a remittance of the amount so payable to us. Conversely should there be a balance payable by our client to your client(s) subject to the apportionment account being verified and agreed we will arrange a remittance of the amount so payable to you or your client(s); ~~and~~

- c. all title deeds and documents including certified copies of the Deed of Mutual Covenant, the Management Agreement (if any), the occupation permit and the certificate of compliance (if applicable) to which the purchaser is entitled;

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Note

Delete if  
possession  
not being  
given or  
otherwise  
identify the  
arrangements  
regarding  
delivery of  
vacant  
possession

2. [To forward to us forthwith the keys of the above property or the necessary written authority to collect keys so that possession can be taken without delay.]
3. [To obtain and send us within twenty-one (21) days from the date of receipt of this letter a statutory declaration by the vendor under Section 5 of the ~~Power(s)~~Powers of Attorney Ordinance that at the time of the Assignment to the vendor (Memorial No. \_\_\_\_\_) executed by (Donee) as attorney of (Donor) he, the vendor, did not know of any revocation of the Power of Attorney under which the Assignment to the vendor was executed.]
4. To produce to us a copy of the Appointee Bank ~~Seller/Sell-side~~ Contract duly signed by your client (or an extract thereof) upon our demand.

Your undertakings will be deemed given unless:-

- (i) you advise us to the contrary in writing as soon as practicable indicating the revisions to the undertakings you require and we are unable to agree a revised form of undertakings; or
- (ii) you notice the payment detail or other information in the CHATS Advice is incorrect and no CHATS Advice Correction Notice has been issued notwithstanding that you have duly and promptly advised us of such incorrect redemption reference or such other incorrect information.

You shall not send the CHATS Advice to the ~~Seller's~~Vendor Account Maintainer nor procure to have the cheque (cashier's order) presented for payment in any of the aforesaid circumstances in (i) or (ii).

Subject as aforesaid, you may release the cheque (cashier's order) drawn in your client's/client(s)' favour to your client/client(s) and send the CHATS Advice to the ~~Seller's~~Vendor Account Maintainer.

Yours faithfully,

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Draft ~~Date: 9 July 2024~~  
15 April 2025