

**Conveyancing Scenario**  
**Sample clauses for facility letters**

**SCHEDULE 1**  
**PAPT PROVISIONS FOR CONVEYANCING SCENARIOS 1A AND 1B<sup>1</sup>**

**This Schedule 1 applies if (a) the Facility is in scope of PAPT for S&P and the Borrower and the Vendor agree to adopt PAPT for S&P, (b) the Facility (or part thereof) will be applied towards the purchase of the Property and (c) there is an existing mortgage over the Property.**

**1. DEFINITIONS<sup>2</sup>**

**1.1 Definitions in this Schedule 1**

**[Note: We note that some of the terms used in the paragraphs below are not defined here (e.g. "Property", "Borrower", "Bank", "Business Day", "Loan" and "Mortgage"). Such terms should be defined in the main facility letter.]**

**"Authorized Institution" or "AI"** means a Bank, a restricted licence bank or a deposit-taking company as defined in the Banking Ordinance (Cap. 155).<sup>3</sup>

**"Bank Advice"** means a document issued by the Bank in respect of the completion of an internal fund transfer.

**"CHATS"** means Hong Kong Dollar Clearing House Automated Transfer System.

**"CHATS Advice"** means a document issued automatically and provided in printable-by-the-Bank-only format by HKICL to the Bank on the CHATS interface immediately after a payee receives payment from a payor via CHATS.

**"CHATS Advice Correction Notice"** has the meaning given to that term in paragraph 3.6.

**"Consent"** has the meaning given to that term in paragraph 2(b).

**"Drawdown Day"** has the meaning given to that term in paragraph 3.2.

**"Drawdown Day Cut-off Time"** means 5:30 pm on the date on which the Remittance Amount is effected by the Bank to the VMI via CHATS or internal fund transfer (as the case may be).<sup>4</sup>

---

<sup>1</sup> These sample clauses assume that other conditions precedent required by the Bank in connection with the financing will be addressed in other provisions of the Bank's facility letters and/or in the instructions from the Bank to the Bank's solicitors.

<sup>2</sup> Users to adapt the terminology used throughout this document to their own standard form(s) of facility letters. For example, some banks refer to themselves as "we" in facility letters, whereas some refer to themselves as the "Bank".

<sup>3</sup> Restricted licence bank ("RLB"), deposit-taking company ("DTC"), money lender or other companies offering property mortgage lending are excluded from the initial stage of PAPT for S&P.

<sup>4</sup> Users to note that the timing for Drawdown Day Cut-off Time is mandatory and is not subject to negotiation or amendment.

**"HKICL"** means Hong Kong Interbank Clearing Limited.

**"Key Information"** means (i) the names of the sender's bank and the receiver's bank, (ii) Remittance Amount and currency, and (iii) settlement date and time set out in the CHATS Advice.

**"Mortgage Institution"** refers to an AI, a money lender as defined in the Money Lenders Ordinance (Cap. 163) or other companies offering property mortgage lending, regardless of whether it is an HKD Clearing Member of the CHATS or not.<sup>5</sup>

**"Mortgagor"** has the meaning given to that term in paragraph 3.7(b), provided that if the Mortgagor and the Borrower are the same person or entity, references to "Mortgagor" in this Schedule 1 shall be construed as "Borrower" accordingly.

**"PAPT Document for S&P"** means the document entitled "Payment Arrangements for Property Transactions (the "PAPT") - Sale & Purchase Scenario ("PAPT for S&P")" dated [28 November] 2025 issued by the Hong Kong Association of Banks (as amended and/or supplemented from time to time).

**"PAPT for S&P"** means the Payment Arrangements for Property Transactions - Sale & Purchase Scenario, as described in further detail in the PAPT Document for S&P.

**"PMI/Buy-side Contract"** means an agreement in respect of the adoption of PAPT for S&P in the conveyancing transaction in respect of the Property signed by the Borrower and the Mortgagor and addressed to the Bank, which contains the clauses as further described in the PAPT Document for S&P.

**"Redemption Amount"** means the outstanding amount of loan (including principal and interest) secured by the Vendor Mortgage as of Drawdown Day.

**"Redemption Reference"** means the unique identifier assigned by the VMI to a transaction which appears as part of the "Payment Detail" code on a CHATS Advice.

**"Remittance Amount"** has the meaning given to that term in paragraph 3.3(a).

**"Transaction Closing Time"** means 5:00 pm on Drawdown Day or such other agreed time which is earlier than 5:00 pm on Drawdown Day, whereby completion of the property sale and purchase transaction will take place by solicitors' undertaking.<sup>6</sup>

**"Vendor"** means the vendor of the Property.

**"Vendor Mortgage"** means the existing mortgage over the Property; such mortgage is to be discharged in full on the Drawdown Day.

**"VMI"** has the meaning given to that term in paragraph 2(b).

---

<sup>5</sup> RLB, DTC, money lender or other companies offering property mortgage lending are excluded from the initial stage of PAPT for S&P.

<sup>6</sup> Users to note that the latest timing of Transaction Closing Time (5:00 pm) is mandatory and not subject to negotiation.

**"VMI Borrower"** means the borrower under the existing mortgage loan granted by the VMI, which is secured by the Vendor Mortgage, **provided that** if the VMI Borrower is the Vendor, references to "VMI Borrower" in this Schedule 1 shall be construed to refer to the "Vendor".

## 1.2 **Construction**

Any reference to the singular form of "Borrower", "Mortgagor", "Vendor" or "VMI Borrower" shall include its plural form and vice versa. Any references to the masculine gender in this Facility Letter shall include the feminine and neuter genders and vice versa.

## 2. **APPLICATION OF PAPT for S&P**

Where the Borrower and the Vendor agree to adopt PAPT for S&P:

- (a) the Borrower agrees that the Loan shall be paid in the manner described in paragraph 3 below (except where the consent of the Borrower or the Mortgagor as described in paragraph 2(b) below is withdrawn in accordance with paragraph 2(b) below or the agreement of the Borrower or the Mortgagor as described in paragraph 2(c) below is withdrawn in accordance with paragraph 2(c) below, in which case PAPT for S&P shall cease to apply);
- (b) each of the Borrower and the Mortgagor hereby expressly consents that the Bank and the Bank's solicitors may disclose the financing arrangement set out in this Facility Letter (the "**Consent**"), including the amount of the Loan that will be applied towards paying the balance of the purchase price for the Property (or such part thereof), to the Vendor, Vendor's solicitors, the Mortgage Institution in whose favour the existing mortgage has been granted (the "VMI") and the VMI's solicitors and VMI Borrowers, to the extent strictly necessary and solely for the purpose of effecting the PAPT for S&P and his agreement to adopt PAPT for S&P. Either the Borrower or the Mortgagor may, by a notice in writing to the Bank, withdraw his Consent any time up to eight (8) Business Days before the Drawdown Day; and
- (c) each of the Borrower and the Mortgagor agrees that he shall sign or has signed a PMI/Buy-side Contract, which (among others) contains his agreement to adopt PAPT for S&P. Either the Borrower or the Mortgagor may withdraw his agreement to use PAPT for S&P any time up to eight (8) Business Days before the Drawdown Day.<sup>7</sup>

## 3. **LOAN REMITTANCE**

- 3.1 Notwithstanding anything to the contrary in this Facility Letter, this paragraph 3 applies only if PAPT for S&P applies to the financing arrangement contemplated by this Facility Letter.

---

<sup>7</sup> The Bank should ensure the Borrower and (if applicable) the Mortgagor will sign the PMI/Buy-side Contract at the time of signing of the facility letter unless it has already received the duly signed PMI/Buy-side Contract by such time.

3.2 Subject to the conditions set out in this Facility Letter, the Bank shall disburse the Loan to the Borrower (the day on which the Loan is disbursed by the Bank pursuant to this Facility Letter, the "**Drawdown Day**").

3.3 Subject always to paragraphs 3.4 to 3.8 below, and subject further to (1) the Borrower giving drawdown directions to the Bank (through the Bank's solicitors) in respect of the Loan which are acceptable by the Bank no later than five (5)<sup>8</sup> Business Days prior to the Drawdown Day and (2) the satisfaction of all the conditions precedent (if any) to drawdown under this Facility Letter, the Bank shall:

- (a) arrange for the proceeds of the Loan to be disbursed and applied in accordance with the drawdown directions. In particular, the Bank shall arrange for the transfer of the Loan amount less any fees in connection with the Mortgage / Loan to be funded by the proceeds of the Loan amount, including any mortgage insurance premium or fire insurance premium payable by the Borrower (if applicable) (the "**Remittance Amount**") before 12 noon on the Drawdown Day to the VMI by the following means:
  - (i) where the Bank and the VMI are different Mortgage Institutions, via CHATS; or
  - (ii) where the Bank and the VMI are the same Mortgage Institution, by internal fund transfer; and
- (b) where the transfer of the Remittance Amount is made via CHATS pursuant to paragraph 3.3(a)(i) above, upon receipt of the CHATS Advice in respect of the transfer of the Remittance Amount, (i) check all details contained in the CHATS Advice and (where applicable) take such steps as set out in paragraph 3.6 below and (ii) (through the Bank's solicitors) send the CHATS Advice and, if applicable, the CHATS Advice Correction Notice to the VMI's solicitors (or through the Vendor's solicitors, as the case may be) by the Transaction Closing Time; and
- (c) where the transfer of the Remittance Amount is made by internal fund transfer pursuant to paragraph 3.3(a)(ii) above, send the Bank Advice (through the Bank's solicitors) to the VMI's solicitors (or through the Vendor's solicitors, as the case may be) by the Transaction Closing Time.

The Bank is entitled to act on and rely on the drawdown directions given by the Borrower to the Bank (through the Bank's solicitors), unless such directions are revoked in writing by the Borrower with reasonably sufficient advance notice to the Bank.

3.4 The Bank shall not be obliged to comply with its obligations under paragraph 3.3 above if the Bank has received written notice from the Borrower that the Borrower wishes to revoke the Borrower's drawdown directions.

3.5 After the relevant Remittance Amount has been effected via CHATS pursuant to paragraph 3.3(a)(i) above:

---

<sup>8</sup> The deadline for giving drawdown directions is indicative.

- (a) if the VMI is notified in writing by its solicitors or the Vendor's solicitors that the completion of the sale and purchase of the Property has fallen through, or if the VMI has not received CHATS Advice by the Drawdown Day Cut-off Time, the Bank shall receive a refund from the VMI; and
- (b) if the Bank does not receive the CHATS Advice:
  - (i) the Bank shall promptly contact HKICL to resolve the issue and to arrange for a re-issuance of the CHATS Advice to the Bank; and
  - (ii) (A) if the Bank then receives a re-issued CHATS Advice, the Bank shall proceed as usual in accordance with the PAPT Document for S&P and no refund or re-initiating of a new CHATS payment shall be required; or
    - (B) if the Bank is still unable to receive any re-issued CHATS Advice, the Bank shall promptly request the VMI to confirm whether the VMI has received the relevant Remittance Amount.

- 3.6 When checking the details contained in the relevant CHATS Advice pursuant to paragraph 3.3(b) above, if the Bank discovers any errors in relation to any information in the CHATS Advice other than the Key Information, to the extent that the Redemption Reference is incorrect, the Bank shall issue a correction notice ("**CHATS Advice Correction Notice**"), stating the correct information. A CHATS Advice that has been duly corrected with a CHATS Advice Correction Notice in such manner shall be deemed a CHATS Advice for the purpose of this Facility Letter.
- 3.7 It is a condition precedent to any drawdown under the Facility that:
  - (a) the Bank has received from the Borrower all necessary information to enable the Bank to perform its obligation relating to drawdown (including (i) the VMI Borrower's name, (ii) the name of the VMI, (iii) the Redemption Reference of the VMI, (iv) the Redemption Amount payable to the VMI and (v) the Remittance Amount); and
  - (b) (where the balance of the purchase price for the Property is paid partly with the Loan and partly with the own funds of the mortgagor(s) named under the Mortgage (the "**Mortgagor**")) the Mortgagor shall pay such part of the balance which is to be settled by his own funds by cashier's order(s) or solicitor's cheque(s), which shall be arranged by the Mortgagor or any third party paying on behalf of the Mortgagor and shall be made available to the Borrower's solicitors by no later than one (1) Business Day before Drawdown Day (or any other time on or before the Drawdown Day as may be agreed between the Mortgagor and the Borrower's solicitors).
- 3.8 The Borrower agrees and acknowledges that where exceptional circumstances or last minute issues arise which make it not feasible for the Bank to carry out the arrangements in paragraph 3.3 above or result in the Mortgagor not being able to arrange for cashier's order(s) as described in paragraph 3.7(b) above, the Borrower authorises the Borrower's solicitors (if applicable) and the Bank to liaise with the

Vendor, Vendor's solicitors, VMI, VMI's solicitors, and/or any other related parties to agree on other means of payment so as to proceed to drawdown on the Drawdown Day.

## SCHEDULE 2

### PAPT PROVISIONS FOR CONVEYANCING SCENARIO 2

**This Schedule 2 applies if (a) the Facility is in scope of PAPT for S&P and the Borrower and the Vendor agree to adopt PAPT for S&P, (b) the Facility (or part thereof) will be applied towards the purchase of the Property and (c) there is no existing mortgage over the Property.**

#### 1. DEFINITIONS<sup>9</sup>

##### 1.1 Definitions in this Schedule 2

**[Note: We note that some of the terms used in the clauses below are not defined here (e.g. "Property", "Borrower", "Bank", "Loan" and "Mortgage"). Such terms should be defined in the main facility letter.]**

**"Authorized Institution"** or **"AI"** means a Bank, a restricted licence bank or a deposit-taking company as defined in the Banking Ordinance (Cap. 155).<sup>10</sup>

**"Bank Advice"** means a document issued by the Bank in respect of the completion of an internal fund transfer.

**"CHATS"** means Hong Kong Dollar Clearing House Automated Transfer System.

**"CHATS Advice"** means a document issued automatically and provided in printable-by-the-Bank-only format by HKICL to the Bank on the CHATS interface immediately after a payee receives payment from a payor via CHATS.

**"CHATS Advice Correction Notice"** has the meaning given to that term in paragraph 3.6.

**"Consent"** has the meaning given to that term in paragraph 2(b).

**"Drawdown Day"** has the meaning given to that term in paragraph 3.2.

**"Drawdown Day Cut-off Time"** means 5:30 pm on the date on which the Remittance Amount is effected by the Bank to the VAM via CHATS or internal fund transfer (as the case may be).<sup>11</sup>

**"HKICL"** means Hong Kong Interbank Clearing Limited.

---

<sup>9</sup> Users to adapt the terminology used throughout this document to their own standard form(s) of facility letters. For example, some banks refer to themselves as "we" in facility letters, whereas some refer to themselves as the "Bank".

<sup>10</sup> Restricted licence bank ("RLB"), deposit-taking company ("DTC"), money lender or other companies offering property mortgage lending are excluded from the initial stage of PAPT for S&P.

<sup>11</sup> Users to note that the timing for Drawdown Day Cut-off Time is mandatory and is not subject to negotiation or amendment.

**"Key Information"** means (i) the names of the sender's bank and the receiver's bank, (ii) Remittance Amount and currency, and (iii) settlement date and time set out in the CHATS Advice.

**"Mortgage Institution"** refers to an AI, a money lender as defined in the Money Lenders Ordinance (Cap. 163) or other companies offering property mortgage lending, regardless of whether it is an HKD Clearing Member of the CHATS or not.<sup>12</sup>

**"Mortgagor"** has the meaning given to that term in paragraph 3.7(b), provided that if the Mortgagor and the Borrower are the same person or entity, references to "Mortgagor" in this Schedule 2 shall be construed as "Borrower" accordingly.

**"PAPT Document for S&P"** means the document entitled "Payment Arrangements for Property Transactions (the "PAPT") - Sale & Purchase Scenario ("PAPT for S&P")" dated [28 November] 2025 issued by the Hong Kong Association of Banks (as amended and/or supplemented from time to time).

**"PAPT for S&P"** means the Payment Arrangements for Property Transactions - Sale & Purchase Scenario, as described in further detail in the PAPT Document for S&P.

**"PMI/Buy-side Contract"** means an agreement in respect of the adoption of PAPT for S&P in the conveyancing transaction in respect of the Property signed by the Borrower and the Mortgagor and addressed to the Bank, which contains the clauses as further described in the PAPT Document for S&P.

**"Remittance Amount"** has the meaning given to that term in paragraph 3.3(a).

**"Transaction Closing Time"** means 5:00 pm on Drawdown Day or such other agreed time which is earlier than 5:00 pm on Drawdown Day, whereby completion of the property sale and purchase transaction will take place by solicitors' undertaking.<sup>13</sup>

**"Vendor"** means the vendor of the Property.

**"Vendor Account"** means a bank account in Hong Kong in the name of the Vendor.

**"VAM"** means a bank in which the Vendor Account is held and is a participating institution of CHATS.

## 1.2 **Construction**

Any reference to the singular form of "Borrower", "Mortgagor" or "Vendor" shall include its plural form and vice versa. Any references to the masculine gender in this Facility Letter shall include the feminine and neuter genders and vice versa.

## 2. **APPLICATION OF PAPT for S&P**

---

<sup>12</sup> Restricted licence bank, deposit-taking company, money lender or other companies offering property mortgage lending are excluded from the initial stage of PAPT for S&P.

<sup>13</sup> Users to note that the latest timing of Transaction Closing Time (5:00 pm) is mandatory and not subject to negotiation.

Where the Borrower and the Vendor agree to adopt PAPT for S&P:

- (a) the Borrower agrees that the Loan shall be paid in the manner described in paragraph 3 below (except where the consent of the Borrower or the Mortgagor as described in paragraph 2(b) below is withdrawn in accordance with paragraph 2(b) below or the agreement of the Borrower or the Mortgagor as described in paragraph 2(c) below is withdrawn in accordance with paragraph 2(c) below, in which case PAPT for S&P shall cease to apply);
- (b) each of the Borrower and the Mortgagor hereby expressly consents that the Bank and the Bank's solicitors may disclose the financing arrangement set out in this Facility Letter (the "**Consent**"), including the amount of the Loan that will be applied towards paying the balance of the purchase price for the Property (or such part thereof), to the Vendor, Vendor's solicitors and VAM, to the extent strictly necessary and solely for the purpose of effecting the PAPT for S&P and his agreement to adopt PAPT for S&P. Either the Borrower or the Mortgagor may, by a notice in writing to the Bank, withdraw his Consent any time up to eight (8) Business Days before the Drawdown Day; and
- (c) each of the Borrower and the Mortgagor agrees that he shall sign or has signed a PMI/Buy-side Contract, which (among others) contains his agreement to adopt PAPT for S&P. Either the Borrower or the Mortgagor may withdraw his agreement to use PAPT for S&P any time up to eight (8) Business Days before the Drawdown Day.<sup>14</sup>

### 3. LOAN REMITTANCE

- 3.1 Notwithstanding anything to the contrary in this Facility Letter, this paragraph 3 applies only if PAPT for S&P applies to the financing arrangement contemplated by this Facility Letter.
- 3.2 Subject to the conditions set out in this Facility Letter, the Bank shall disburse the Loan to the Borrower (the day on which the Loan is disbursed by the Bank pursuant to this Facility Letter, the "**Drawdown Day**").
- 3.3 Subject always to paragraphs 3.4 to 3.8 below, and subject further to (1) the Borrower giving drawdown directions to the Bank (through the Bank's solicitors) in respect of the Loan which are acceptable by the Bank no later than five (5)<sup>15</sup> Business Days prior to the Drawdown Day and (2) the satisfaction of all the conditions precedent (if any) to drawdown under this Facility Letter, the Bank shall:
  - (a) arrange for the proceeds of the Loan to be disbursed and applied in accordance with the drawdown directions. In particular, the Bank shall arrange for the transfer of the Loan amount less any fees in connection with the Mortgage / Loan to be funded by the proceeds of the Loan amount, including any mortgage insurance premium or fire insurance premium payable by the Borrower (if

---

<sup>14</sup> The Bank should ensure the Borrower and (if applicable) the Mortgagor will sign the PMI/Buy-side Contract at the time of signing of the facility letter unless it has already received the duly signed PMI/Buy-side Contract by such time.

<sup>15</sup> The deadline for giving drawdown directions is indicative.

applicable) (the "**Remittance Amount**") before 12 noon on the Drawdown Day to the VAM by the following means:

- (i) where the Bank and the VAM are different Mortgage Institutions, via CHATS; or
- (ii) where the Bank and the VAM are the same Mortgage Institution, by internal fund transfer; and

(b) where the transfer of the Remittance Amount is made via CHATS pursuant to paragraph 3.3(a)(i) above, upon receipt of the CHATS Advice in respect of the transfer of the Remittance Amount, (i) check all details contained in the CHATS Advice and (where applicable) take such steps as set out in paragraph 3.6 below, and (ii) (through the Bank's solicitors) send the CHATS Advice and, if applicable, the CHATS Advice Correction Notice to the VAM (through the Vendor's solicitors) by the Transaction Closing Time.

(c) where the transfer of the Remittance Amount is made by internal fund transfer pursuant to paragraph 3.3(a)(ii) above, send the Bank Advice (through the Bank's solicitors) to the VAM through the Vendor's solicitors by the Transaction Closing Time.

The Bank is entitled to act on and rely on the drawdown directions given by the Borrower to the Bank (through the Bank's solicitors), unless such directions are revoked in writing by the Borrower with reasonably sufficient advance notice to the Bank.

3.4 The Bank shall not be obliged to comply with its obligations under paragraph 3.3 above if the Bank has received written notice from the Borrower that the Borrower wishes to revoke the Borrower's drawdown directions.

3.5 After the relevant Remittance Amount has been effected via CHATS pursuant to paragraph 3.3(a)(i) above:

- (a) if the VAM is notified in writing by its solicitors or the Vendor's solicitors that the completion of the sale and purchase of the Property has fallen through, or if the VAM has not received CHATS Advice by the Drawdown Day Cut-off Time, the Bank shall receive a refund from the VAM; and
- (b) if the Bank does not receive the CHATS Advice:
  - (i) the Bank shall promptly contact HKICL to resolve the issue and to arrange for a re-issuance of the CHATS Advice to the Bank; and
  - (ii) (A) if the Bank then receives a re-issued CHATS Advice, the Bank shall proceed as usual in accordance with the PAPT Document for S&P and no refund or re-initiating of a new CHATS payment shall be required; or
  - (B) if the Bank is still unable to receive any re-issued CHATS Advice, the Bank shall promptly request the VAM to confirm whether the VAM has received the relevant Remittance Amount.

3.6 When checking the details contained in the relevant CHATS Advice pursuant to paragraph 3.3(b) above, if the Bank discovers any errors in relation to any information in the CHATS Advice other than the Key Information, to the extent that the payment detail is incorrect, the Bank shall issue a correction notice ("CHATS Advice Correction Notice"), stating the correct information. A CHATS Advice that has been duly corrected with a CHATS Advice Correction Notice in such manner shall be deemed a CHATS Advice for the purpose of this Facility Letter.

3.7 It is a condition precedent to any drawdown under the Facility that:

- (a) the Bank has received from the Borrower all necessary information to enable the Bank to perform its obligation relating to drawdown (including (i) the name of the VAM, (ii) the payment detail of the VAM and (iii) the Remittance Amount); and
- (b) (where the balance of the purchase price for the Property is paid partly with the Loan and partly with the own funds of the mortgagor(s) named under the Mortgage (the "Mortgagor")) the Mortgagor shall pay such part of the balance which is to be settled by his own funds by cashier's order(s) or solicitor's cheque(s), which shall be arranged by the Mortgagor or any third party paying on behalf of the Mortgagor and shall be made available to the Borrower's solicitors by no later than one (1) Business Day before Drawdown Day (or any other time on or before the Drawdown Day as may be agreed between the Mortgagor and Borrower's solicitors).

3.8 The Borrower agrees and acknowledges that where exceptional circumstances or last minute issues arise which make it not feasible for the Bank to carry out the arrangements in paragraph 3.3 above or result in the Mortgagor not being able to arrange for cashier's order(s) as described in paragraph 3.7(b) above, the Borrower authorises its solicitors (if applicable) and the Bank to liaise with the Vendor, Vendor's solicitors, VAM, and/or any other related parties to agree on other means of payment so as to proceed to drawdown on the Drawdown Day.