



March Tip of the Month:

Revised guidelines for marketing foreign properties

The purchase of foreign properties carries additional risks not associated with local property transactions. Property agencies and agents therefore play an important role in carrying out due diligence and advising consumers on the risks involved in purchasing foreign properties.

If you are marketing or facilitating the sale of foreign properties in Singapore, remember to abide by the Council for Estate Agencies' [Practice Guidelines](#) regarding the conduct of such estate agency work. The guidelines seek to instil professional practices that property agencies and agents must adopt in the sale and marketing process of properties located outside Singapore, as well as to better protect consumers' interests.

This set of guidelines on the marketing of foreign properties took effect on 1 December 2018, superseding those issued in 2014 (PG01-14).

Let's take a look at some of the key changes to the guidelines:

- In the pre-marketing phase, property agencies must now confirm that guarantees made in advertisements, e.g. return on investments (ROI) are binding on the vendor (such as the developer or underwriter who owns and sells the property purchased from the developer). The agencies must also see the contractual documents providing these guarantees. If the figures indicated in the advertisement are not current, the date and time of the data must be stated in the advertisement e.g. ROI from previous years.
- Property agencies must check whether there is information that is adverse or potentially adverse about the vendor or the property. This can be done by screening for news in the mainstream or social media.
- If property agencies assess that there are adverse or potentially adverse findings, they must inform consumers in writing. The notification must be in the format and manner set out in [Annex A](#) of the Practice Guidelines, known as "Important notice to purchasers".

This notice also includes an advisory message to consumers that there are risks involved in purchasing foreign properties, and that consumers should conduct their own due diligence and proceed at their own risk.

In addition, property agencies are now required to obtain a written acknowledgement from buyers indicating that they are aware of the content of the notice before proceeding with the transaction.

- Property agencies and agents must facilitate or arrange for consumers to sign the relevant transaction documents with the vendor. If the documents are not provided in English, property agencies must obtain an English translation from reasonably qualified translators and provide the documents to consumers before these are signed.

Do refer to the [Practice Guidelines](#) for the full set of guidelines on the sale and marketing process of foreign properties in Singapore and our [article](#) in *CEAenergy* for more information.

[Information accurate as at 29 March 2019. This emailer is sent to all property agents registered with CEA.]