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10TH-12TH FLOORS, HIGH BLOCK,
QUEENSWAY GOVERNMENT OFFICES,
66 QUEENSWAY, HONG KONG.

香港金鐘道六十六號金鐘道政府合署高座十樓至十二樓

來函請註明本署檔號

IN REPLY PLEASE QUOTE THIS REF.: T11/10 -MTSC/CR

來函檔號 YOUR REF.:

電話 TEL. NO.: 2867 2515

圖文傳真 FAX NO.: 3110 0315

FAX (852) 2536 9963 (Case Management)
(852) 2501 0698 (Case Management)
(852) 2104 7151 (Case Management)
(852) 2104 7150 (Finance)
(852) 3105 1814 (Admin.)
(852) 3105 0435 (Legal Services)
(852) 3106 0347 (Personnel)

圖文傳真 (852) 2536 9963 (個案處理)
(852) 2501 0698 (個案處理)
(852) 2104 7151 (個案處理)
(852) 2104 7150 (財務)
(852) 3105 1814 (行政)
(852) 3105 0435 (法律事務)
(852) 3106 0347 (人事)

Internet Homepage Address

互聯網網址

<http://www.oro.gov.hk>

The Hong Kong Institute of Certified Public Accountants
27/F., Wu Chung House
213 Queen's Road East
Wan Chai
Hong Kong

By Post &

By Fax 2865 6603

17 February 2022

Dear Sirs,

Payment Arrangements for Property Transactions

The banking industry and the Hong Kong Monetary Authority ("HKMA") have been developing proposals in respect of payment arrangements for property transactions ("PAPT") following the recent intervention of the Law Society of Hong Kong into one solicitors' firm, which has exposed the risks of the current payment arrangement in property transactions (via law firms) towards both banks and customers. In this connection, the Hong Kong Association of Banks ("HKAB") and the DTC Association ("DTCA") have consulted their members on a proposal on PAPT to seek their views and also to facilitate the industry's early preparation. The HKMA has also issued a circular to authorized institutions, expressing its strong support to the industry's initiative and encouraging banks to provide opinions and prepare early. Full details of the consultation paper of HKAB and DTCA and the circular of the HKMA can be found in the following links :

- (i) HKAB and DTCA's consultation paper:

<https://www.hkab.org.hk/DisplayArticleAction.do?sid=5&ss=0&lang=en>

- (ii) HKMA's Circular :

<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20211229e1.pdf>

Regarding the PAPT proposal, the HKMA is considering a suggestion that the PAPT should also apply to the relevant transaction entered into by a receiver, trustee or liquidator in insolvency cases and have invited the views of the Official Receiver.

While the Official Receiver is considering the impact of PAPT in the administration of the insolvency cases as liquidator or trustee-in-bankruptcy, your members

who are insolvency practitioners are also invited to put forward their views to the Official Receiver for onward passing to the HKMA for their consideration.

Please circulate this letter to your members who are insolvency practitioners for their attention and let me have their consolidated views **by 4 March 2022**.

Should there be any enquiry on this letter, please contact the undersigned on 2867 2515.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Michael T S Cheung', written in a cursive style.

(Michael T S Cheung)
for Official Receiver