



PRACTICE AREA Step-by-step CHECKLIST

Sub-sale of Property WITH TITLE – Vendor

. 1 .

File reference:

DISCLAIMER This Checklist is only intended to provide a general overview of the matters that should be considered in managing your case/transaction. The information provided in this Checklist is not intended to be legal advice. Many factors may affect the applicability of any steps or procedures set out here to your case and consequently you should apply your own discretion or seek appropriate advice (where applicable) before relying on these procedures.

		Date DUE	Date DONE	Remarks
1. INITIAL CONTACT AND PRELIMINARIES				
1.1	Ensure there is no conflict of interest or potential conflict of interest. Note: The firm must not act or purport to act for both the Vendor and the Purchaser in the same transaction.			
1.2	Initial instructions:			
1.2.1	To ascertain if a letter of offer has been executed by the parties. If yes, to obtain a copy and to ascertain deadline for execution of the Sale and Purchase Agreement, if any. Note: Deadline for execution of Sale and Purchase Agreement.			
1.2.2	To obtain instructions as regards the transaction including names of parties, property details, payment terms, particulars of any tenancies in respect of the property and if so, whether property sold with vacant possession or subject to existing tenancy, name and contact particulars of Purchaser’s solicitors, if any and any other salient/principle terms.			
1.2.3	To obtain, if available, a copy of the following documents:			
a.	For individuals: National Registration Identity Card (“NRIC”) (or passport, if foreigner) of Vendor and Purchaser.			



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		Date DUE	Date DONE	Remarks
b.	For companies: certified true copy of the Memorandum and Articles of Association, latest Forms 49, 44 and all Forms 24, and the Board of Directors' and members' (if applicable) resolutions authorising the entry into the sale and purchase and execution of the Sale and Purchase Agreement, Deed of Assignment and associated documents. Note: The Board of Directors' resolution should state clearly the authorisation to affix the common seal on the Instrument of Transfer (Form 14A).			
c.	Issue document of title, previous Sale and Purchase Agreement and Loan/Facility Agreement.			
d.	Current quit rent receipt and assessment receipt and utility bills.			
1.2.4	If the property is assigned to a financial institution, to ascertain that the redemption sum does not exceed purchase price. Request and obtain from Vendor a copy of the latest loan statement.			
1.3	Advise Vendor of your charges. Note: The provisions of the Solicitors' Remuneration Order 2005 in respect of the mandatory scale of rates for the conduct of sale and purchase transactions and related matters thereto.			
2. PREPARATION OF THE SALE AND PURCHASE AGREEMENT				
2.1	Where the Purchaser has appointed a solicitor, contact the Purchaser's solicitor to agree as to who will prepare the Sale and Purchase Agreement. In the absence of any agreement to the contrary, it is the Vendor's solicitors who should prepare the draft Sale and Purchase Agreement. Forward copy of documents (item 1.2.3) to Purchaser's solicitor.			
2.2	Conduct search on the master title on which the property is situated or contact the developer for details of master strata title (if issued).			





	Date DUE	Date DONE	Remarks
a. Date search requested:			
b. Date search results received:			
2.3 Review results of land search Note: Encumbrances on the property including charges or caveats, restrictions in interest and express conditions; categories of land use, balance of lease etc.			
2.4 Conduct bankruptcy/winding up/NRIC/company searches on Vendor and Purchaser: You may list the names and NRIC/company no of the Vendors and Purchasers here: <u>A. Vendor(s):</u> Name: _____ NRIC No/Company No: _____ i. _____ Type of search and date requested: Search result obtained: _____ ii. _____ Type of search and date requested: Search result obtained:			



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		Date DUE	Date DONE	Remarks
<p>B. Purchaser(s):</p> <p>Name: _____ NRIC No/Company No: _____</p> <p>i. _____</p> <p>Type of search and date requested:</p> <p>Search result obtained:</p> <p>_____</p> <p>ii. _____</p> <p>Type of search and date requested:</p> <p>Search result obtained:</p>				
2.5	Draft Sale and Purchase Agreement/review draft Sale and Purchase Agreement prepared by the Purchaser’s solicitors and forward to Vendor for comments/ instructions.			
2.6	Finalise draft Sale and Purchase Agreement with Vendor and the Purchaser’s solicitors. This may comprise several rounds of negotiations and/or several exchanges of the draft Sale and Purchase Agreement between the parties. At all times, be mindful of the deadline to execute the Sale and Purchase Agreement (See Section 1.2.1 above). It may be necessary to seek an extension of the deadline for executing the Sale and Purchase Agreement if it is apparent that the deadline may not be achievable.			



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3. EXECUTION OF THE SALE AND PURCHASE AGREEMENT				
3.1	Execution of Sale and Purchase Agreement CKHT/Real Property Gains Tax (“RPGT”) forms, application for consent form (if applicable) (Form I/J) and Form 14A by the Purchaser and issuance to the Vendor/Vendor’s solicitors, as the case may be, of payment of the deposit, if any, towards the purchase price by the Purchaser. Prepare bill for Vendor to settle.			
3.2	Execution of Sale and Purchase Agreement and Form 14A by the Vendor and receipt of the deposit, if any, towards the purchase price by the Vendor/Vendor’s solicitors, as the case may be.			
3.3	Where Sale and Purchase Agreement provides for the deposit of the original title or any other documents with Vendor’s solicitors as stakeholders pending completion, obtain the same from the Vendor and retain accordingly.			
3.4	Forward duly executed Sale and Purchase Agreement and Form 14A to the Purchaser’s solicitors.			
3.5	Stamped copy(ies) of Sale and Purchase Agreement received from Purchaser’s solicitors.			
3.6	Forward stamped copy(ies) of Sale and Purchase Agreement to Vendor.			
4. CONDITIONS PRECEDENT, IF ANY				
4.1	Where the sale and purchase is subject to the fulfilment of any conditions precedent (<i>eg State Authority, Economic Planning Unit (“EPU”)</i>), note the deadline for the fulfilment of conditions precedent (“CP”).			
a.	Date by which Condition(s) Precedent to be fulfilled:			
b.	If applicable, Extended Date by which Condition(s) Precedent to be fulfilled:			



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		Date DUE	Date DONE	Remarks																				
4.2	<p>Note also the conditions precedent to be fulfilled, the party responsible for the attendance to each of the conditions precedent and any individual deadlines to be observed in respect of the fulfilment of the individual conditions precedent and/or the submission of any relevant application thereto.</p> <p>You may list the conditions precedent here and mark the deadlines, if any (* strike out as appropriate)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;">Condition Precedent:</td> <td style="padding: 5px;">Party responsible for attendance to CP:</td> </tr> <tr> <td style="padding: 5px;">a.</td> <td style="padding: 5px;">Vendor/Purchaser *</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;">Date submitted:</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;">Date approval obtained/CP fulfilled:</td> </tr> <tr> <td style="padding: 5px;">b.</td> <td style="padding: 5px;">Vendor/Purchaser *</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;">Date submitted:</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;">Date approval obtained/CP fulfilled:</td> </tr> <tr> <td style="padding: 5px;">c.</td> <td style="padding: 5px;">Vendor/Purchaser *</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;">Date submitted:</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;">Date approval obtained/CP fulfilled:</td> </tr> </table>	Condition Precedent:	Party responsible for attendance to CP:	a.	Vendor/Purchaser *		Date submitted:		Date approval obtained/CP fulfilled:	b.	Vendor/Purchaser *		Date submitted:		Date approval obtained/CP fulfilled:	c.	Vendor/Purchaser *		Date submitted:		Date approval obtained/CP fulfilled:			
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5. PURCHASE PRICE				
5.1	Relevant details pertaining to purchase price:			
a.	Total purchase price: RM			
b.	Deposit: RM			
c.	Retention under RPGT: RM			
d.	Balance purchase price: RM			
e.	Rate of late payment interest: % pa			
f.	If the Purchaser is completing the purchase with the assistance of a loan, the Loan Sum: RM			
g.	If Purchaser has obtained loan, difference between balance purchase price and the Loan Sum: RM			
5.2	<p>Deadlines for payment of the balance purchase price</p> <p>The Sale and Purchase Agreement should stipulate the Completion Date/Completion Period and Extended Completion Date/Extended Completion Period or the manner of determining the same.</p> <p>The terms of the Sale and Purchase Agreement may also provide that any delay on the part of the Vendor in providing any documents (<i>eg the chargee's redemption statement and letter of undertaking</i>) or on the part of the chargee in providing any documents (<i>eg the undertaking to refund or the Discharge of Charge documents</i>) is to be taken into account in extending the Completion Date/Completion Period.</p> <p>If this is the case, the Completion Date/Completion Period and Extended Completion Date/Extended Completion Period may have to be accordingly revised from time to time based on the extra number of days taken by the relevant party in respect of any applicable event/action.</p>			



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		Date DUE	Date DONE	Remarks								
a.	<p>Completion Date / Expiry of Completion Period:</p> <p>If applicable, Completion Date / Expiry of Completion Period (1st Revision):</p> <p>If applicable, Completion Date / Expiry of Completion Period (2nd Revision):</p> <p>Further revisions, if any:</p>											
b.	<p>Extended Completion Date / Expiry of Extended Completion Period:</p> <p>If applicable, Extended Completion Date / Expiry of Extended Completion Period (1st Revision):</p> <p>If applicable, Extended Completion Date / Expiry of Extended Completion Period (2nd Revision):</p> <p>Further revisions, if any:</p>											
c.	<p>In the course of the transaction, you may wish to keep track of the actual events/actions which have resulted in an extension or extensions of Completion Date/Completion Period or Extended Completion Date/Extended Completion Period:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Event:</th> <th style="width: 50%;">Number of extra days:</th> </tr> </thead> <tbody> <tr> <td>i.</td> <td></td> </tr> <tr> <td>ii.</td> <td></td> </tr> <tr> <td>iii.</td> <td></td> </tr> </tbody> </table>	Event:	Number of extra days:	i.		ii.		iii.				
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	Date DUE	Date DONE	Remarks
5.3 To note the party to whom the purchase price/balance purchase price should be made payable – Vendor or Vendor’s solicitors as stakeholder or Purchaser’s solicitors as stakeholder. * (* strike out as appropriate)			
6. RECEIPT OF BALANCE PURCHASE PRICE AND REDEMPTION OF PROPERTY, IF APPLICABLE			
Note the following:			
a. If the property is charged, identify the chargee. Name of chargee:			
b. Whether the Purchaser is obtaining a loan to finance the purchase of the property. If property is not charged and the Purchaser is not obtaining a loan to complete purchase, proceed to Section 6.1 below . If property is not charged and the Purchaser is obtaining a loan to complete the purchase, proceed to Section 6.2 below . If property is charged and the Purchaser is not obtaining a loan to complete the purchase, proceed to Section 6.3 below . If property is charged and the Purchaser is obtaining a loan to complete the purchase, proceed to Section 6.4 below .			
6.1 <i>Property not charged and Purchaser not obtaining a loan</i> Where the property is not charged to a financial institution and the Purchaser is not obtaining a loan to complete the purchase, KIV for receipt of the balance of the purchase price by the Completion Date/expiry of the Completion Period.			
6.2 <i>Property not charged and Purchaser obtaining a loan</i> Where the property is not charged to a financial institution and the Purchaser is obtaining a loan to complete the purchase:			



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	Date DUE	Date DONE	Remarks
<p>6.2.1 Upon receipt of the letter from the Purchaser’s Financier’s (“PF”) solicitors informing of the loan and advising as to the requirements of the PF in respect of the release of the loan, peruse the same to ascertain whether clarification and/or variations/amendments are required in respect of any of the terms.</p> <p>Communicate with PF’s solicitors in respect of such clarification and/or variations/amendments therein and attend to the requirements of the PF accordingly including delivery of the Vendor’s undertaking to refund if the Form 14A cannot be registered.</p>			
<p>6.2.2 If the loan sum is insufficient to settle the balance of the purchase price in full, KIV for the payment of the difference between the loan sum and the balance of the purchase price (“the Differential Sum”).</p>			
<p>6.2.3 If the PF requires delivery of the original title prior to the disbursement of the loan to facilitate the PF’s presentation of the Form 14A and the charge in its favour over the property, issue written request for PF’s undertaking to pay the loan sum on or before the Completion Date/ expiry of the Completion Period or the Extended Completion Date/expiry of the Extended Completion Period, as the case may be.</p> <p>KIV for the delivery of the PF’s letter of undertaking.</p>			
<p>6.2.4 Once the PF’s letter of undertaking aforesaid is received, review for sufficiency and notify the PF’s solicitors if the undertaking is inadequate.</p>			
<p>6.2.5 Once the Differential Sum is received from the Purchaser, inform the PF and KIV for disbursement of the loan sum towards settlement of the purchase price by the Completion Date/expiry of the Completion Period or the Extended Completion Date/ expiry of the Extended Completion Period, as the case may be.</p>			



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	Date DUE	Date DONE	Remarks
6.2.6			Upon receipt of the balance of the purchase price in full, apply the same in accordance with the provisions of the Sale and Purchase Agreement. Ascertain from the Sale and Purchase Agreement when you are authorised to release the remainder of the balance of the purchase price to the Vendor. Release the same to the Vendor at the time and in accordance with the terms and conditions of the Sale and Purchase Agreement.
6.3			<i>Property is charged and Purchaser is not obtaining a loan</i> Where the property is charged to a financial institution and the Purchaser is not obtaining a loan:
6.3.1			Obtain details of Vendor’s loan account and a letter of authorisation from the Vendor addressed to the chargee to attend to the redemption of the property on behalf of the Vendor.
6.3.2			Issue written request to the chargee for redemption statement cum letter of undertaking from chargee pursuant to which the chargee undertakes to:
a.			Deliver the original issue document of title, duplicate charge, duly executed Discharge of Charge and any other documents required to effect a Discharge of the Charge (“ the Discharge of Charge Documents ”); and
b.			Refund the redemption sum if the Discharge of Charge cannot be registered for any reason. The redemption statement cum letter of undertaking aforesaid should be addressed to the Purchaser and your letter to the chargee should clearly state this.
6.3.3			Upon receipt of the chargee’s redemption statement cum letter of undertaking aforesaid, forward the same to the Purchaser’s solicitors and KIV for payment of the balance of the purchase price by the Completion Date/expiry of the Completion Period or the Extended Completion Date/expiry of the Extended Completion Period, as the case may be. <i>Continue...</i>





		Date DUE	Date DONE	Remarks
	<p>...Continue Note: If there is a validity period prescribed for the redemption statement and KIV accordingly.</p> <p>If the balance purchase price is not sufficient to redeem the property, request the Vendor to deposit the shortfall of the redemption sum.</p>			
6.3.4	<p>Upon receipt of the balance of the purchase price, apply the same in accordance with the provisions of the Sale and Purchase Agreement, including attendance to payment of the redemption sum to the chargee to obtain the Discharge of Charge Documents.</p>			
6.3.5	<p>Prepare the Discharge of Charge Documents for execution by the chargee and forward to the chargee for execution.</p> <p>Note: If there is any time frame prescribed in the Sale and Purchase Agreement for the delivery of the Discharge of Charge Documents to the Purchaser and KIV accordingly.</p>			
6.3.6	<p>Once the Discharge of Charge Documents are received from the chargee:</p>			
a.	<p>Stamp Discharge of Charge.</p> <p>Forward the original title, duplicate charge, stamped Discharge of Charge, assessment and quit rent receipts and certified true copies of the Vendor’s NRIC/passport (if foreigner) or where the Vendor is a company, certified true copy of the documents listed in Section 1.2.3 above) and any other documents obtained from the Vendor and held as stakeholders as noted in Section 3.3 above to the Purchaser’s solicitors together with the registration fee for the Discharge of Charge.</p>			
b.	<p>Ascertain from the Sale and Purchase Agreement when you are authorised to release the remainder of the balance of the purchase price to the Vendor and release the same to the Vendor at the time and in accordance with the terms and conditions of the Sale and Purchase Agreement.</p>			



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	Date DUE	Date DONE	Remarks
6.4 <i>Property is charged and Purchaser is obtaining a loan</i> Where the property is charged to a financial institution and the Purchaser is obtaining a loan to finance the purchase of the property:			
6.4.1 Obtain details of Vendor’s loan account and a letter of authorisation from the Vendor addressed to the chargee to attend to the redemption of the property on behalf of the Vendor.			
6.4.2 Upon receipt of the letter from the PF’s solicitors informing of the loan and advising as to the requirements of the PF in respect of the release of the loan, peruse the same to ascertain whether clarification and/or variations/amendments are required in respect of any of the terms. Communicate with PF’s solicitors in respect of such clarification and/or variations/ amendments therein and attend to the requirements of the PF accordingly including delivery of the Vendor’s undertaking to refund if the Form 14A cannot be registered.			
6.4.3 Issue written request to the chargee for redemption statement cum letter of undertaking from chargee undertaking to:			
a. Deliver the original issue document of title, duplicate charge, duly executed Discharge of Charge and any other documents required to effect a Discharge of the Charge (“ the Discharge of Charge Documents ”); and			
b. Refund the redemption sum if the Discharge of Charge cannot be registered for any reason.			
The redemption statement cum letter of undertaking aforesaid should be addressed to the Purchaser and your letter to the chargee should clearly state this.			



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		Date DUE	Date DONE	Remarks
6.4.4	<p>Upon receipt of the chargee’s redemption statement cum letter of undertaking aforesaid, forward the same to the PF’s solicitors and KIV for partial disbursement of the loan towards settlement of the redemption sum and balance of the purchase price by the Completion Date/ expiry of the Completion Period or the Extended Completion Date/expiry of the Extended Completion Period, as the case may be.</p> <p>Note: If there is a validity period prescribed for the redemption statement, KIV accordingly.</p> <p>If the balance purchase price is not sufficient to redeem, request Vendor to deposit shortfall.</p>			
6.4.5	<p>If the loan sum is insufficient to settle the balance of the purchase price in full, KIV also for the payment of the difference between the loan sum and the balance of the purchase price (“the Differential Sum”).</p>			
6.4.6	<p>Once the Differential Sum is received from the Purchaser, inform the PF.</p>			
6.4.7	<p>Upon receipt of such of the loan sum as is required to settle the redemption sum payable to the chargee, forward the same to the chargee together with the Discharge of Charge for execution by the chargee.</p> <p>Note: If there is any time frame prescribed in the Sale and Purchase Agreement for the delivery of the Discharge of Charge Documents to the PF and KIV accordingly.</p>			
6.4.8	<p>Once the Discharge of Charge Documents are received from the chargee:</p>			
a.	<p>Stamp the Discharge of Charge.</p>			
b.	<p>Forward the original title, duplicate charge, stamped Discharge of Charge, Assessment and quit rent receipts together with certified true copies of the Vendor’s NRIC/passport (if foreigner) or where the Vendor is a company, certified true copy of the documents listed in Section 1.2.3 above to the PF’s solicitors together with the registration fee for the Discharge of Charge.</p>			





		Date DUE	Date DONE	Remarks
c.	KIV for release of the balance of the loan by the Completion Date/expiry of the Completion Period or the Extended Completion Date/expiry of the Extended Completion Period, as the case may be.			
6.4.9	Upon receipt of the balance of the loan, ascertain from the Sale and Purchase Agreement when you are authorised to release the remainder of the balance of the purchase price to the Vendor. Release it to the Vendor at the time and in accordance with the terms and conditions of the Sale and Purchase Agreement.			
6.5	Late Payment Interest If settlement of the balance of the purchase price was within the Extended Completion Date/Period, calculate the late payment interest payable and inform the Purchaser to pay the same accordingly. KIV for payment.			
7. DELIVERY OF POSSESSION				
7.1	Ascertain from the Sale and Purchase Agreement the time frame for the Vendor to deliver possession of the property to the Purchaser. Note the deadline.			
7.2	Ascertain from the Sale and Purchase Agreement whether the Vendor is to deliver vacant possession or possession of the property subject to an existing tenancy or “as is where is”. You may make notes on Vendor’s obligations in relation to the delivery of possession here:			
7.3	Ascertain any mechanics prescribed in the Sale and Purchase Agreement as regards the delivery of possession.			
7.4	Upon the balance of the purchase price being settled in full, attend to the delivery of possession in accordance with the relevant terms of the Sale and Purchase Agreement as ascertained above.			





		Date DUE	Date DONE	Remarks
	Note: The Sale and Purchase Agreement may provide that the Purchaser has to settle outgoings apportioned to him prior to receiving possession of the Property. If that is the case, ensure receipt of such payment from the Purchaser prior to attending to the delivery of vacant possession.			
8. APPORTIONMENT OF OUTGOINGS				
8.1	Ascertain from the Sale and Purchase Agreement as to the relevant date for the apportionment of outgoings as between the Purchaser and the Vendor and calculate the sum.			
8.2	Notify the Purchaser of the sum due and payable by him in respect outgoings apportioned to him. KIV for payment.			
9. TERMINATION OF AGREEMENT				
9.1	The Sale and Purchase Agreement may in some instances not complete but instead be terminated. Termination could be occasioned by non-fulfilment of conditions precedent, breach by one party for which the other party elects to terminate the Agreement, non-registrability of the Form 14A or by mutual consent of the parties.			
9.2	Where the sale and purchase terminates, ascertain the relevant provision under the Sale and Purchase Agreement pursuant to which termination has occurred and the procedures to be attended to as a consequence of such termination and, the time frame for attendance to such procedures. The termination procedures will commonly involve any one or more of the following:			
a.	Refund of monies.			
b.	Forfeiture of the deposit (if termination on account of breach by the Purchaser) or payment of liquidated ascertained damages (if termination on account of breach by the Vendor).			
c.	Return of documents.			
d.	Removal of any private caveats.			
e.	Re-delivery of possession, if already delivered.			





	Date DUE	Date DONE	Remarks
10. REAL PROPERTY GAINS TAX			
10.1			<p>To attend to the preparation and filing of the relevant returns for the Vendor (Form CKHT 1A and if applicable, CKHT 3) in respect of the disposal of the property to the Director General of Inland Revenue Board within 60 days of the date of the Sale and Purchase Agreement or as otherwise prescribed in the Sale and Purchase Agreement.</p> <p>Obtain the Vendor’s and Purchaser’s respective income tax reference numbers and branch of the Inland Revenue Board (“IRB”) at which the respective income tax files are maintained for the purposes of attending to the lodgement of the aforesaid returns.</p> <p>Retention sum of 2% + purchase price to IRB (if applicable).</p>



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