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Caveats lodged by the Controller of Residential Property

Background

The Residential Property Act has been amended to, inter alia, empower the Controller of Residential Property ("CRP") to lodge a caveat against the restricted property that a foreign person has been granted approval to purchase. This is provided in new section 25A of the Act.

A caveat will be lodged where the approval to purchase is subject to the condition of non-disposal for a specified period, e.g. 3 years from the date of purchase. The caveat is an added measure to ensure that the condition of non-disposal is not breached.

The caveat will be lodged when the approval letter is forwarded to the foreign purchaser. The caveator will be the CRP while the registered proprietor and the caveatee will be the vendor and purchaser respectively. Notices of the caveat will be sent to both the registered proprietor and the caveatee.

Consent by CRP as caveator

Upon the legal completion of the sale and purchase transaction, the CRP will give his consent to –

- (i) the registration of the Transfer and other related instruments if the transferee is the same person as the caveatee in the caveat; and
- (ii) any subsequent refinancing arrangements by the foreign person within the non-disposal period.

Withdrawal of caveat

The CRP will withdraw the caveat –

- (i) when the non-disposal period is no longer applicable; or
- (ii) upon receipt of written confirmation from the advocate and solicitor acting for either the vendor or foreign purchaser that the sale and purchase transaction has been aborted.

Date: 17 Jan 2011

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Controller of Residential Property