

## OPTION TO PURCHASE

To: Mr Tan

In consideration of the sum of SINGAI... ("the Vendor") hereby makes  
the Purchaser the following offer which shall... acceptance in the manner  
hereinafter stated until 4.00pm on the \_\_\_ day of \_\_\_ Option Expiry Date").  
The Vendor offers to sell to the Purchaser the Property on the \_\_\_ under.

## TERMS OF SALE

THE LAW SOCIETY OF SINGAPORE'S CONDITIONS OF SALE 2012  
The sale is subject to the Law Society of Singapore's Conditions of Sale 2012

# The Law Society of Singapore's Conditions of Sale 2012



THE LAW SOCIETY  
OF SINGAPORE

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# THE LAW SOCIETY OF SINGAPORE'S CONDITIONS OF SALE 2012

## ARRANGEMENT OF CONDITIONS

<b>Condition</b>		<b>Page No.</b>
1.	Definitions and Interpretation	1
2.	Payment to CVY Account	2
3.	Documents of Title	2
4.	Dishonoured Payment	3
5.	State and Condition of Property to be Delivered	3
6.	Outgoings, Rents and Profits until Completion	3
7.	Tax	4
8.	State of Property as to Repair, etc	5
9.	Late Completion Interest	6
10.	Vendor's Representation and Warranties	7
11.	Misdescription of Property	7
12.	Demands of Local or Statutory Authorities	8
13.	Passing of Risk	8
14.	Conveyance	8
15.	Notice to Complete	9
16.	Special Conditions	11

## 1 Definitions and Interpretation

“**Business Day**” means any day other than a Saturday, Sunday and public holiday;

“**CVY Account**” refers to the conveyancing account as defined under Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 of the Conveyancing and Law of Property Act (Cap 61);

“**Completion**” means the act of completing the sale of the Property for consideration pursuant to the Contract;

“**Completion Date**” means the day on which Completion actually takes place;

“**Conditions**” means the Law Society of Singapore’s Conditions of Sale 2012;

“**Contract**” means a document evidencing the sale of a Property by way of private treaty, auction, tender or otherwise and includes an option that has been exercised;

“**Conveyance**” means and includes deeds and/or instruments relating to transfers, transmissions, assignments and leases in respect of immovable Property whether by electronic means or otherwise;

“**Conveyancing Money**” has the same meaning as that given under Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 of the Conveyancing and Law of Property Act (Cap 61);

“**Property**” used in these Conditions has the meaning of “land” as in the Conveyancing and Law of Property Act (Cap 61) and the Land Titles Act (Cap 157);

“**Scheduled Completion Date**” means the day fixed for completion under the Contract or as subsequently varied;

“**SSD**” means the seller’s stamp duty payable by the Vendor on the Contract under Section 22A of the Stamp Duties Act (Cap 312);

Any reference to an Act of Parliament includes changes to that Act or if that Act is repealed, the Act replacing it and all subsidiary legislation under the Act;

Any reference to Vendor or Purchaser may, if the context so requires, also include the Vendor’s or the Purchaser’s solicitor where the solicitor is known to the parties;

Any reference to Vendor or Purchaser shall also include the Vendor's or the Purchaser's successors or assigns;

Headings to these Conditions will not affect the interpretation of these Conditions;

Where a Scheduled Completion Date falls on a day which is not a Business Day, it shall fall on the next Business Day. This interpretation shall apply notwithstanding that the Contract contains the word "within" preceding a specified period or the phrase "on or before" a specified date, or words and phrases having like effect;

Where Vendor or Purchaser and any other person who is a party consists of more than one person, then any act, right, obligation or liability shall be joint and several;

Words importing the singular will include the plural and vice versa; and

Words importing one gender include the other gender or neutral gender.

## **2 Payment to CVY Account**

- 2.1. Where under a Contract, any payment of Conveyancing Money is required to be made to the Vendor's solicitor, it must be made to the Vendor's solicitor's CVY Account.
- 2.2. Notwithstanding Condition 2.1, if a payment is tendered or made to a Vendor's solicitor but not to the Vendor's solicitor's CVY Account, that payment is not invalid for the purposes for which it is tendered or made, and the Vendor's solicitor is bound to accept and treat the same as if that payment is tendered or made to the Vendor's solicitor's CVY Account.

## **3 Documents of Title**

- 3.1. The Vendor shall be obliged to provide to the Purchaser for inspection, original documents of and affecting title of the Property or the copies of such documents not later than one (1) month before the Scheduled Completion Date. The Purchaser shall be treated as having full notice of the contents of such documents whether he has inspected them or not.
- 3.2. Where the Purchaser is represented by a solicitor and the Purchaser's solicitor requests the loan of the original documents referred to in Condition 3.1, the Vendor should comply with the request unless there are justifiable grounds for not being able to do so, subject to an undertaking from the

Purchaser's solicitors to return the original documents at any time on demand, without any lien or claim.

- 3.3. The Vendor will bear the expense of producing the documents that are in the possession of the Vendor's mortgagee or chargee.

#### **4 Dishonoured Payment**

If a cheque or cashier's order or other negotiable instrument made pursuant to or under a contract is dishonoured upon presentation, the Vendor shall have the option either to treat the contract as repudiated by the Purchaser and to rescind the same forthwith or to affirm the contract and proceed in accordance with the terms and conditions thereof.

#### **5 State and Condition of Property to be Delivered**

- 5.1. On Completion, the Vendor must deliver the Property in the same state and condition as it was at the date of the option or the date of the contract, whichever is earlier, (save for fair wear and tear) unless otherwise agreed to by the parties.
- 5.2. If the Contract specifies a sale with vacant possession on Completion, all movable property not included in the sale are to be removed from the Property by Completion unless otherwise agreed to by the parties.

#### **6 Outgoings, Rents and Profits until Completion**

- 6.1. Unless agreed otherwise, the Vendor:
- (a) is entitled to rents and profits,
  - (b) but is liable for all expenses, outgoings and levies down to and including the Scheduled Completion Date.
- 6.2. Pursuant to Condition 6.1, the Purchaser:
- (a) is liable for all expenses, outgoings and levies; and
  - (b) will be entitled to all the rents and profits after the Scheduled Completion Date.
- 6.3. Where levies referred to in Condition 6.1 or Condition 6.2 are imposed for the repair, improvement or upgrading or for whatever reason, relating to the common property of the development in which the Property is situated, the Vendor is liable for such levies (if payable in one lump sum) or instalments of such levies (if payable in instalments) falling due on or before the Scheduled Completion Date.

- 6.4. Where the Purchaser is unable or unwilling to complete on the Scheduled Completion Date, the Vendor, without prejudice to other remedies at law or under any other Condition herein, may elect not to receive the late completion interest under Condition 9.1, but retain such rents and other profits whilst accounting for all outgoings, expenses and levies up to and including the Completion Date.

## **7 Tax**

### **7.1. Property Tax**

- 7.1.1. The Vendor must pay for all property tax down to and including the Scheduled Completion Date, whether the tax is levied or increased before, on or after Completion.
- 7.1.2. The Vendor must indemnify the Purchaser for any sum paid by the Purchaser which is the Vendor's liability under Condition 7.1.1.
- 7.1.3. In the event the Property has not been included on the valuation list by the Chief Assessor, a reasonable sum should be set aside from the sale proceeds and held by the Vendor's solicitors as stakeholders for the payment of the property tax when assessed. Any excess money not utilised for the payment of the property tax shall be returned to the Vendor.

### **7.2. Goods and Services Tax**

Where the Vendor is accountable for goods and services tax on the purchase price, the Purchaser shall pay all goods and services tax, if any is imposed by law and payable in respect of the sale of a Property under the Goods and Services Tax Act (Cap 117A).

### **7.3. Withholding Tax**

- 7.3.1. Notwithstanding the indemnity given under Condition 7.3.2, a Vendor:
- (a) who is not resident in Singapore under Section 2 of the Income Tax Act (Cap 134); and
  - (b) whose gain or profit arising from the sale of the property is liable to be taxed under Section 10(1)(a) of the Income Tax Act (Cap 134) (which liability will be presumed unless otherwise notified by the Vendor not later than two (2) weeks before the Scheduled Completion Date), must allow the Purchaser or the Purchaser's solicitor to deduct from the purchase price the withholding tax and pay such withholding tax to the Comptroller of Income Tax pursuant to Section 45D of the Income Tax Act (Cap 134).

7.3.2. If:

- (a) the Vendor does not notify the Purchaser or the Purchaser's solicitor of the Vendor's tax liability under Condition 7.3.1 not later than two (2) weeks before the Scheduled Completion Date; and/or
- (b) the Comptroller of Income Tax makes a claim on the Purchaser or the Purchaser's solicitor, the Vendor must indemnify the Purchaser or the Purchaser's solicitor against all loss or damage suffered by either of them.

7.4. Seller's Stamp Duty

7.4.1. The Vendor shall notify the Purchaser, not later than five (5) clear Business Days before the Scheduled Completion Date, the amount of SSD by submitting a certified copy of the form of declaration required by the Commissioner of Stamp Duties together with the certificate of stamp duty (if applicable) paid by the Vendor as evidence of payment.

7.4.2. If the Vendor fails to pay the SSD, the Vendor must allow and the Purchaser will be entitled, but not obliged, to deduct from the purchase price the amount of the SSD charged on the Contract and to pay the SSD, including such penalties imposed. Such amount paid as SSD, including such penalties imposed, shall be taken as or be considered as equivalent payment to the Vendor towards the purchase price. No action shall lie against the Purchaser for such payment to the Commissioner of Stamp Duties.

7.5. Buyer's Stamp Duty

The Purchaser shall pay all applicable stamp duty imposed on it by the Commissioner of Stamp Duties within the time stipulated and, if requested by the Vendor, shall extend a copy of the Certificate(s) of Stamp Duty to the Vendor.

7.6. Conditions 7.1 to 7.5 shall not merge in the Conveyance of the Property.

**8 State of Property as to Repair, etc**

Subject to Conditions 5 and 10, the Purchaser is deemed to have notice of the actual state and condition of the Property as regards access, repair, light, air, drainage and in all other respects.



## **9 Late Completion Interest**

### Interest Payable by Purchaser

#### 9.1. If:

- (a) the sale is not completed on or before the Scheduled Completion Date; and
- (b) the delay in Completion is due solely to the default of the Purchaser, the Purchaser must pay interest (as liquidated damages) commencing on the day following the Scheduled Completion Date, up to and including the Completion Date of the sale. Interest will be calculated on the purchase price (less any deposit and any sum paid to account and in the case of a sub-sale, less any part of the original purchase price that is not due to the developer) at 8% per annum.

### Interest Payable by Vendor

#### 9.2. If:

- (a) the sale is not completed on or before the Scheduled Completion Date; and
- (b) the delay in Completion is due solely to the default of the Vendor, the Vendor must pay interest (as liquidated damages) commencing on the day following the Scheduled Completion Date up to and including the Completion Date. Interest will be calculated on the purchase price (and in the case of a sub-sale, less any part of the original purchase price that is not due to the developer) at 8% per annum.

9.3. If the Vendor has delivered vacant possession of the Property to the Purchaser before the Completion Date, and if no rent is payable by the Purchaser to the Vendor, then the interest payable to the Purchaser will be reduced by a sum equivalent to a notional rent calculated on the annual value of the Property as assessed by the Inland Revenue Authority of Singapore under the Property Tax Act (Cap 254).

### No Interest Payable

9.4. No interest (as liquidated damages) will be payable if the delay in completion is due to some cause other than the default of the Vendor or the Purchaser or to the default of both the Vendor and the Purchaser.

9.5. If either the Vendor or the Purchaser (or one of the Vendors or Purchasers) dies before the Scheduled Completion Date, the Scheduled Completion Date may be postponed for a reasonable period but in any event, not more than three (3) months from the date of death, for a Grant of Probate or Letters of Administration to be obtained in order to complete the Contract and no interest shall be payable by any party during such extension period.

9.6. No interest can be payable by the Purchaser if the Purchaser is unable to complete the purchase on the Scheduled Completion Date due to the Vendor's omission or failure to furnish the mode of payment of the purchase price to the Purchaser less than five (5) clear Business Days before the Scheduled Completion Date, provided that the number of days of the delay to complete by the Purchaser shall not be more than the number of deficit days of notice given by the Vendor.

9.7. Where countersigning of a Pay-out Form is required, no interest shall be payable for any day in which the electronic payment instruction ("EPI") system within the STARS e-lodgement system fails to work, necessitating either the Vendor or Purchaser to proceed by the manual mode, provided that the downtime of the EPI system extends to more than four (4) consecutive hours on that particular day.

## **10 Vendor's Representation and Warranties**

10.1. The Vendor represents and warrants to the Purchaser that the Vendor has not carried out any unauthorised additions or alterations to the Property.

10.2. The Vendor represents and warrants to the Purchaser that the Property has not been the subject of any transaction at an undervalue (including a gift) as referred to in Section 98(3) of the Bankruptcy Act (Cap 20) within the period commencing five (5) years before the date of the contract.

## **11 Misdescription of Property**

11.1. The Vendor believes (and the Purchaser accepts) that the property is correctly described as to quantity and otherwise.

11.2. The Property is sold subject to:

- (a) all quit and other rents and outgoings; and
- (b) all incidents of tenure, rights of way, and other rights and easements affecting the property.

11.3. If any error, misstatement or omission which is not material or does not considerably affect the value of the Property is discovered in the Contract, neither party will be entitled to annul the sale or claim any compensation.

## **12 Demands of Local or Statutory Authorities**

12.1. The Vendor shall be responsible for and must comply with any requirement for any order for the maintenance of or changes to the Property that are imposed by a notice or demand made before the Scheduled Completion Date by:

- (a) any government department or other local or statutory authority;
- (b) any lessor or superior lessor of any leasehold Property; or
- (c) any management corporation or subsidiary management corporation constituted under the Land Titles (Strata) Act (Cap 158).

12.2. If the Vendor has not complied with such requirement before Completion, the Vendor must indemnify the Purchaser for the cost of such compliance or set aside a sum from the completion account to be held by a stakeholder for that purpose.

## **13 Passing of Risk**

In these Conditions of Sale:

- (a) Section 3(13) of the Conveyancing and Law of Property Act (Cap 61) shall not apply to a contract of sale of Property; and
- (b) risk remains with the Vendor and shall pass to the Purchaser upon Completion or upon the Purchaser taking possession of the Property, whichever is earlier.

## **14 Conveyance**

14.1. On payment of the balance of the purchase price, the Vendor and all other necessary parties will execute and deliver a Conveyance of the Property to the Purchaser.

14.2. The Purchaser must prepare at his own expense the Conveyance and every other instrument which the Purchaser may require for getting title. The Vendor must prepare or procure all instruments relating to the release and discharge of all outstanding estate, right, title or interest in the Property to enable the Purchaser to obtain title free from encumbrances.

14.3. The Vendor must bear the expense of:

- (a) reviewing the relevant documents on behalf of the Vendor and all necessary conveying or concurring parties to the Conveyance; and
- (b) the execution of such documents by the Vendor and all such parties.

## 15 Notice to Complete

- 15.1. This Condition applies in every case except where the special conditions of the Contract provide that time is to be of the essence of the contract concerning the Scheduled Completion Date.
- 15.2. A Notice to Complete means a notice in writing requiring Completion in accordance with this Condition.
- 15.3. If the sale is not completed on the Scheduled Completion Date, either party may give to the other party a Notice to Complete.
- 15.4. The Notice to Complete may be given at any time after the Scheduled Completion Date unless the contract has already been rescinded or become void.
- 15.5. Notwithstanding Conditions 15.3 and 15.4, the Vendor is not entitled to give a Notice to Complete until the expiry of five (5) clear Business Days from delivery of the mode of payment or its variation to the Purchaser.
- 15.6. The Notice to Complete is only effective if the party giving it at that particular time is either:
  - (a) ready, able and willing to complete; or
  - (b) is not so ready, able and willing by reason of the default or omission of the other party to the Contract.
- 15.7. Upon service of an effective Notice to Complete, parties must complete the transaction within twenty-one (21) days after the day of service of the notice (excluding the date of service) and time will be of the essence of the contract.
- 15.8. Notwithstanding Condition 15.7, both parties still retain any intermediate right of rescission.
- 15.9. If the Purchaser does not comply with the terms of any effective Notice to Complete served by the Vendor under this Condition, then the following terms apply:
  - (a) on the expiry of the Notice to Complete or within such further period as the Vendor may allow, the Purchaser must immediately return all title deeds and documents in his possession that belong to the Vendor;
  - (b) the Purchaser must at his own expense procure the cancellation of any entry relating to the Contract in any register; and
  - (c) without prejudice to any other rights or remedies available to him at law or in equity, the Vendor may:
    - i. forfeit and keep any deposit paid by the Purchaser; and

- ii. resell the Property whether by auction or by private agreement without previously tendering a Conveyance to the Purchaser.

15.10. The following terms apply to the Vendor's right to re-sell the Property:

- (a) if on any re-sale contracted within one (1) year after the Scheduled Completion Date the Vendor incurs a loss, the Purchaser must pay to the Vendor as liquidated damages the amount of such loss;
- (b) the liquidated damages payable by the Purchaser will include all costs and expenses reasonably incurred in any such re-sale or any attempted re-sale but the Vendor must give credit for any deposit and any money paid on account of the purchase price; and
- (c) the Vendor will be entitled to retain any surplus money from the re-sale.

15.11. If the Vendor does not comply with the terms of an effective Notice to Complete served by the Purchaser under this Condition, then the Purchaser may elect either:

- (a) to enforce against the Vendor such rights and remedies as may be available to the Purchaser at law or in equity without any other notice under the Contract; or
- (b) to give a written notice to the Vendor to repay immediately to the Purchaser any deposit and any money paid on account of the purchase price. This is without prejudice to the Purchaser's rights to damages.

15.12. Upon the Vendor complying with the notice in Condition 15.11(b), the Purchaser:

- (a) will no longer be entitled to any right to specific performance of the contract;
- (b) must return immediately all title deeds and documents in his possession that belong to the Vendor; and
- (c) must procure the cancellation of any entry relating to the Contract in any register at the Vendor's expense.

15.13. At the request or with the consent of the other party, the party serving a notice under this Condition may extend the term of the notice for one or more specifically stated periods of time in which case the term of the notice is to be treated as expiring on the last day of such extended period.

15.14. The notice will operate as though this Condition stipulated such extended period of notice in place of twenty-one (21) days and time will be of the essence of the contract.

**16 Special Conditions**

If there is any conflict or repugnancy between these Conditions and any special conditions agreed to under a contract, such special conditions shall prevail. These Conditions are then treated as being modified so far as is necessary to give full effect to such special conditions.