



HOW TO PROTECT YOUR MONEY IN PROPERTY TRANSACTIONS



REMEMBER THIS!

From 1 August 2011, protect your conveyancing money by ensuring that “-CVY” is added after the law firm’s name when you make payment by cheque or Cashier’s Order to a law firm. Please see below for more information.



	Buyer	Seller
Option Fee	The option fee (typically 1% of the sale price) is usually paid by the buyer directly to the seller and is unaffected by the measures.	
Option Deposit	<p>To exercise option, make payment by cheque/cashier’s order to either:</p> <ol style="list-style-type: none"> The seller’s lawyer’s Conveyancing Account (“<Name of law firm>-CVY”); or Singapore Academy of Law <p>According to the seller’s preference.</p>	<p>Indicate to your property salesperson or lawyer your preference to place the option deposit in your lawyer’s Conveyancing Account or with Singapore Academy of Law, and stipulate this in the option form.</p>
Stamp Duties (where necessary)	<p>Your lawyers will e-stamp the necessary documents on your behalf, and obtain a Payment Voucher. You can either:</p> <ol style="list-style-type: none"> Make payment directly to Commissioner of Stamp Duties with the Payment Voucher; or Make payment indirectly, by depositing the money for stamp duties in either: <ol style="list-style-type: none"> Your lawyer’s Conveyancing Account (“<Name of law firm>-CVY”); or Singapore Academy of Law. <p>Your lawyer can instruct the bank or Singapore Academy of Law to prepare the necessary cheques/cashier’s orders and submit the payment on your behalf.</p>	
Balance of Sales Proceeds	<p>Indicate to your lawyer your preference to:</p> <ol style="list-style-type: none"> Place the money in your lawyer’s Conveyancing Account (“<Name of law firm>-CVY”); Place the money with the Singapore Academy of Law; or Make payment on your own directly to the seller or his nominees. 	Not applicable
Float	Your lawyer may ask for a separate sum of up to \$5,000 for each property, or \$2,000 for en-bloc properties, to meet last-minute adjustments in payment amounts to different payees such as banks for mortgage payments. It is not mandatory for you to provide this sum. If you decide to provide it, this money can be paid to non-conveyancing bank accounts of the law firm, such as a normal client account.	
Things NOT to do	You should NOT leave out the “-CVY” suffix when issuing a cheque to the name of a law firm for conveyancing money.	You should NOT authorise anyone to receive your share of the sales proceeds on your behalf unless you trust that person with your money.

Glossary

Option fee	: Paid by buyer to seller in exchange for option form
Option deposit	: Paid by buyer to seller (and held by a stakeholder) when he exercises the option to buy the property through the option form, usually 4-9% of the property value
Stamp duties	: Paid by buyer (or seller who is subject to payment of seller’s stamp duties) to IRAS upon exercise of option
Balance of sales proceeds	: Balance money paid by the buyer on legal completion of the property transaction
Sales proceeds	: Final sum of money to be received by the seller on the legal completion day of the property transaction
Conveyancing account with Appointed Banks	: Special bank account, with additional safeguards, held by the law firm with banks appointed by the Minister for Law. Release of money from this account requires joint authorisation from the lawyers acting for the buyer and seller in the transaction.
SAL Conveyancing Money Service	: Service provided by Singapore Academy of Law to hold conveyancing money on behalf of the buyer and seller. Release of money requires joint authorisation from the lawyers acting for the buyer and seller in the transaction.

