



**SALE BY A
RECEIVER**

As the Receiver's authority to sell depends on the continuing existence of the charge under which he was appointed, it is important to ensure that any discharge of a charge in favour of the appointor of the Receiver is dated subsequent to any assurance under which the Receiver purports to sell the property.

This note is an addendum to the Practice Note titled "Purchasing From Liquidator or Receiver" published in the Law Society's Newsletter dated September 1986.

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UPDATE: See also the Practice Notes at page 13.11 and page 13.17 hereof.

**CLOSING SALES BY
BANK DRAFTS**

Following the longstanding recommendation of the Conveyancing Committee, the general practice of requiring payment of the balance of the proceeds of sale to be made by means of either Bank Drafts or cheques issued by Lending Institutions on the completion of the purchase of properties has become well accepted and established.

However it has come to the notice of the Committee that there is an increasing tendency to depart from this practice by reverting to the previous practice of Purchasers' solicitors tendering their own client account cheques for payment of balance of proceeds of sale on completion of purchases. The Committee emphatically disapproves of such a tendency as it considered it to be not in accordance with good conveyancing practice and highly undesirable as it exposes Vendors' Solicitors to potential claims for negligence in the event of payment on foot of such cheques not being honoured on the instructions of Purchasers or otherwise.

In expressing the foregoing view, the Committee is conscious of the expanding practice which, as a matter of necessity, has developed in respect of three-way closings of sales, of Lenders' Solicitors' cheques being utilised to discharge payment of balance of proceeds of sale where Purchasers' loan cheques are split to facilitate the redemption of Vendors' Mortgages on such closings.

However as this latter procedure does vary from the recommended practice, the Committee considers that, as a matter of prudence, Vendors' Solicitors, to avoid potential claims for negligence, only should avail of such procedures on the express written instruction of their clients.

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