



Due to the increasing practice of purchasers' solicitors not personally attending at the offices of vendors' solicitors for the completion of sales, the Conveyancing Committee has been asked to provide guidelines on how to address the difficulties for

1. purchasers' solicitors in parting with possession of purchase monies (which may include loan proceeds, in respect of which the purchasers' solicitors will have given undertakings to lending institutions) before they receive title deeds to the property being purchased,
and
2. vendors' solicitors in parting with title deeds (in respect of which they may have given undertakings/accountable trust receipts to lending institutions) before they receive the balance of purchase monies due to complete the sale.

The committee has decided to deal with the matter by way of amending the existing provisions of General Condition 24 of the current Law Society General Conditions of Sale 2001 (Revised) Edition. The text of the revised General Condition 24 is set out in this practice note and practitioners should familiarise themselves with these changes.

The revised wording of General Condition 24 will be implemented in the next print run of the current edition of the General Conditions of Sale pending the introduction of the next edition of the standard document. Pending the next print run, a Special Condition should be used to incorporate the revised wording of General Condition 24 into the standard contract.

NEW GENERAL CONDITION 24 OF THE LAW SOCIETY GENERAL CONDITIONS OF SALE 2001 (REVISED) EDITION:-

COMPLETION AND INTEREST

24. (a) The Sale shall be completed and the balance of the Purchase Price paid by the Purchaser on or before the Closing Date.
- (b) Unless otherwise agreed, completion shall take place at the office of the Vendor's Solicitor.
- (c) Where completion is to take place otherwise than at the office of the Vendor's Solicitor then the following provisions shall apply:
- (i) the Purchaser's Solicitor shall nominate seven days prior to closing the manner in which all completion documents are to be dispatched (registered post, courier, DX, collection or other

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NON-PERSONAL CLOSING

(Contd.)

agreed mode of dispatch). The mode of dispatch will be at the Purchaser's Solicitor's sole risk and expense, provided that the Vendor's Solicitor uses the mode of dispatch nominated by the Purchaser's Solicitor or otherwise agreed

(ii) not later than four days prior to closing the Purchaser's Solicitor shall send to the Vendor's Solicitor a list of closing requirements in accordance with the terms of the contract and as agreed in replies to Requisitions on Title and rejoinders on title (if any) (hereafter referred to as 'the completion documents'). It is the responsibility of the Purchaser's Solicitor to ensure that closing searches are furnished to the Vendor's Solicitor on or before the Closing Date and failure to do so will not be a reason to postpone the completion of the Sale

(iii) when the Vendor's Solicitor is immediately able to satisfy these closing requirements, then:

- where applicable, redemption figures for any mortgage or charge on the Vendor's title shall be furnished to the Purchaser's Solicitor
- the Vendor's Solicitor shall undertake with the Purchaser's Solicitor in the following form

“In consideration of the completion of the within sale and in consideration of your furnishing the balance of the Purchase Price to us (in the agreed manner) we hereby undertake with you to immediately furnish copies of all the completion documents to be signed by the Vendor properly executed and to act as your agent (without charge) in accepting delivery of the Deed of Assurance containing the receipt clause (thereby complying with Section 56 of the Conveyancing and Law of Property Act 1881) and immediately thereafter to dispatch to you all of the completion documents in accordance with the agreed list of completion documents and the mode of dispatch nominated or otherwise agreed.”



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- (iv) completion shall take place at the office of the Vendor's Solicitor when the Vendor's Solicitor:
 - has received the balance of the Purchase Price and
 - is in a position to satisfactorily explain all acts appearing on any closing searches received and
 - is in a position to satisfy all of the Purchaser's closing requirements in accordance with the terms of the contract.

- (d) All of the completion documents shall thereupon be dispatched to the Purchaser's Solicitor by the mode of dispatch nominated or otherwise agreed to include satisfactory explanation of all acts appearing on searches and the property's keys or authority for their collection. The Vendor's Solicitor shall communicate with the Purchaser's Solicitor in a recorded form advising that completion has taken place and thereupon the Vendor's Solicitor shall be entitled to release the purchase moneys and the Purchaser shall thereupon be entitled to vacant possession.

- (e) Pending completion in accordance with these Conditions any moneys received in advance of completion by the Vendor's Solicitor, other than the deposit, shall be held by the Vendor's Solicitor as trustee for the Purchaser.

UPDATE:

Please note this practice note is an update on the previous practice notes on this topic published at pages 13.9, 13.17 and 13.53 hereof.

Practitioners should have regard to the changes made by any subsequent edition of the Conditions of Sale or any subsequent practice note.

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