

Key Pointers on Operation of a Project Account (PA)

Pointers to Note	Description
Project Account Deposit	Purchase price for the unit (including booking fee) paid by purchaser under items 1 to 3 of the Payment Schedule must be deposited into the PA for the building project. In addition, all loans (such as bank loans and shareholders' loans) taken during the building project construction must be deposited into the building project's PA.
Project Account Money in Fixed Deposit Account	The PA money may be placed in a fixed deposit account subject to the following conditions: <ol style="list-style-type: none"> a. Money placed in the fixed deposit account remains as part of the Project Account for the building project; b. Any document issued for the opening of fixed deposit account should be held in custody by the PA financial institution; c. Inform the Controller whenever such an account is opened; and, d. PA financial institution shall transfer the money in the fixed deposit account back to the Project Account at the Controller's request.
Money Withdrawal	<p>You may withdraw money from the PA to pay for expenses incurred for the building project, as specified under Rule 5 of the HD(PA)R.</p> <p>If you wish to withdraw money for purposes not related to the building project under rule 10 of the HD(PA)R, you may apply to the Controller for approval and provide a banker's guarantee for an amount equivalent to the sum to be withdrawn.</p>
Banker's Guarantee Release /Reduction	<p>If you wish to apply for a release of the banker's guarantee provided under rule 10 or a reduction of the guaranteed sum, you need to submit an application to the Controller and provide:</p> <ol style="list-style-type: none"> a. Computation of the amounts required to complete the project in accordance with rule 7 or 8 of the HD(PA)R; b. For release of the banker's guarantee, the PA financial institution's confirmation that the amounts in (a) have already been retained and the current balance in the PA; c. For reduction of the guaranteed sum under the banker's guarantee, the reduced guaranteed sum and the PA financial institution's confirmation on the current balance in the PA, both of which must add up to the amounts required to complete the project as computed in (a); d. If the land for the project is not mortgaged: <ul style="list-style-type: none"> • Solicitor's confirmation that the project is not mortgaged; and, • Certification by the qualified person in charge of the project that the roofing and internal plastering of all units have been completed; e. If the land for the project is mortgaged, a copy of the Temporary Occupation Permit(s) for the entire project.