



# Q&S CONVEYANCING UPDATE

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## WHO SIGNS AS STAKEHOLDER WHEN THE PRINCIPAL LICENSEE IS AWAY

We were recently contacted by the principal licensees of a real estate agency who were heading overseas on holiday. They usually signed contracts as the stakeholder and wanted to check who could sign in their absence.

A stakeholder holds the deposit on trust for both the seller and buyer pending completion of the contract. All standard contracts approved by the REIQ and Queensland Law Society provide for a deposit to be held by a stakeholder (also referred to as the deposit holder), which is usually the real estate agent (if one is involved in the sale).

The Property Agents and Motor Dealers Act 2000 states that a principal licensee must keep an employment register that includes details of each employee and the activities they are authorised to perform.

The principal licensee can authorise an employee to sign as stakeholder in their absence. This authority should be in writing and signed by both parties and the employee's details in the employment register should be updated in the usual manner.

It would also be good practice for the principal licensee to inform the Office of Fair Trading that they will be away on holiday and provide the details of the employee they have authorised to sign as stakeholder.

If the principal licensee intends to go on leave for a substantial time (e.g. 3 or more months) then they should consider appointing a substitute licensee in their absence and inform the Office of Fair Trading of this.

Principal licensees are responsible for the acts and omissions of their agents and employees and accordingly they should ensure that they are properly supervised and acting within their authority.

**Richie Muir**  
**Solicitor**  
**Quinn & Scattini Lawyers**

If you would like to ask any question about this or any other similar issue Richie may be contacted on 3821 2766 between 8.30am to 5pm Monday to Friday.

This update is for your information and interest only. It is not intended to be comprehensive, and it **does not constitute and must not be relied on as legal advice**. You must seek specific advice tailored to your circumstances.

*In addition to Residential and Commercial Conveyancing Services, our team of experienced lawyers practice in Business Law, Commercial Litigation, Property Law, Wills & Estates, Criminal Law and Family Law.*

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