

# The Compromis de vente- what happens if I change my mind?

In most cases both the vendor and the purchaser have agreed about the property and the price. In addition, article 1589 of the Civil Code states that a promise to sell (a *Compromis*) is a sale when all the parties have agreed both the subject matter and the price. The buyer has a seven day **obligatory** 'cooling off' period after signing the *compromis* – if he changes his mind during these seven days, he can have back his deposit and withdraw from the sale agreement without any problem. The seller does **not** however have this withdrawal period.

In fact one must bear in mind that in France it is almost impossible, in most cases, to sign the final deed immediately before the French Notaire because of the "let out" clauses [see clauses suspensives]. Also time is needed for the Notaire to collect all the necessary documents from different administrative departments.

A deposit which is usually 10% of the purchase price, will be kept by the Notaire, until completion. This sum will be deducted from the purchase price if the sale is completed.

If the sale is not completed because the purchaser does not want to buy the property despite the fact that all "get out" clauses have been complied with then in this case **the vendor can compel the purchaser to buy**.

If a vendor does not want to go before the Court to force the purchaser to buy, he can also receive the deposit as damages for the sale which has not been completed.

The time delay between the signature of the *Compromis* and the Final Deed (*Acte Authentique*) is generally two or three months.

Bearing in mind that the main aspect of the *Compromis* is the possibility for both parties to compel the other, in default, to respect the obligations stipulated in the contract, it is important to know the procedure when a party wants to issue proceedings.

The party who wants to complete the sale and sign the Final Deed must issue a writ against the party in default in order that the Court can order the latter to sign the Final Deed.

The Court can also grant a Judgment which will be in fact the title deed and in this case the Judgment is registered at the Land Registry. In addition damages can be granted to the party who has issued the proceedings.

But before that, it is wise to register at the Land Registry the "claim" before the Court or a deed called "Proces verbal de default" drawn up by the Notaire which basically states that one party is in default in not completing the sale.

The advantage of this registration is that a third party cannot say that the initial contract was unknown. But you have to bear in mind that despite this registration the party must obtain a Judgment from the Court or a notarial deed within three years.

There is also an unpleasant tax implication when you issue proceedings to complete a sale. The transfer duties are payable immediately. So in the case that it is the vendor who compels the purchaser, he is obliged to pay the transfer duties in advance and even if it has been stipulated in the initial contract that they would be payable by the purchaser.

## Conclusion

The initial contract is the most important deed. The final deed usually is only a deed drawn up according to the requirements of the Land Registry but the terms of the initial contract are checked to see that there are no outstanding points. It is **very** important therefore before signing this initial contract to seek legal advice.

