# Press release

## Stamp Duty (Amendment) Bill 2014 gazetted today

The Stamp Duty (Amendment) Bill 2014 was gazetted today (December 5).

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "The bill seeks to implement the stamp duty waiver for the transfer of shares or units of all exchange traded funds (ETFs) as proposed in the 2014-15 Budget."

"The proposed ETF stamp duty waiver will be conducive to fostering Hong Kong's position as an asset management centre and the development of our financial services sector as a whole, offering new business opportunities for market practitioners and a greater range of products for investors."

The ETF sector is one of the key components of the asset management industry worldwide and has been growing rapidly. Since 2010, the Government has extended the stamp duty remission to ETFs with their registers of holders maintained in Hong Kong that track indices comprising not more than 40% in Hong Kong stocks. The number of ETFs listed in Hong Kong increased substantially from 69 at end-2010 to 121 as of 30 September 2014. The average daily turnover of ETFs also increased from $2.4 billion in 2010 to $3.7 billion in 2013, making Hong Kong one of the largest ETF markets in the Asia-Pacific region.

The Government proposed in the 2014-15 Budget to waive the stamp duty for the transfer of all ETF shares or units, so that the transaction cost of ETFs with their registers of holders maintained in Hong Kong and with more than 40% of Hong Kong stocks in their portfolios can be reduced as well. The proposal seeks to promote the development, management and trading of ETFs in Hong Kong.

The bill will be introduced into the Legislative Council on December 17. It has been uploaded to the Financial Services and the Treasury Bureau's website (http://www.fstb.gov.hk/fsb/topical/etf.htm) for public viewing.