

Press Release

LCQ7: Processing requests for adjudication of stamp duty

Wednesday, February 3, 2016

Following is a question by the Hon Dennis Kwok and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (February 3):

Question:

I have learnt that recently the Inland Revenue Department (IRD) has been taking disproportionately long time to process requests for adjudication of stamp duty (requests), causing inconvenience to both the legal profession and the parties involved in the relevant transactions. The delay has become particularly serious after the introduction of Buyer's Stamp Duty in October 2012 and doubled ad valorem stamp duty in February 2013 for property transactions by the authorities. Regarding the time taken by IRD to issue a Notice of Assessment upon receipt of a request (processing time), will the Government inform this Council:

(1) of the number of requests received by IRD in the past two years and, among them, the respective numbers of those the processing time of which was within one to three months, more than three months to six months, and more than six months, as well as the number of requests which are still pending (set out such information in a table);

(2) of the average processing time of the requests received by IRD in the past two years;

(3) whether IRD has set any performance pledge for the processing time; if IRD has, of the details; if not, whether IRD will set such a pledge; and

(4) whether IRD will take measures to shorten the processing time; if IRD will, of the details of the measures to be implemented and the expected outcome; if not, the justifications for that?

Reply:

President,

The Inland Revenue Department (IRD) is committed to providing efficient and effective services to the taxpayers. All along, IRD has been processing the requests for adjudication of stamp duty (adjudication request) in accordance with the relevant provisions of the Stamp Duty Ordinance (Cap. 117) (SDO). In handling the adjudication requests and making its determination, IRD will consider all circumstances of the case, including the original instrument as well as relevant supporting documents and information submitted by the stamp duty payers.

My reply to the four parts of the question is as follows:

(1) The total number of adjudication requests received and processed by IRD in the past two years is tabulated at Annex.

(2) Given that some of the requests received in the past two years are still being processed, IRD could not provide statistics on the average processing time of adjudication requests at this stage. According to the statistics as set out in Part (1) above, the number of cases which could be completed within three months after receipt of the adjudication requests was 59,920 in 2014 and 57,009 in 2015, representing 90.1 per cent and 90.3 per cent of the total number of requests received by IRD in the respective years. The time required for processing individual cases is subject to a host of factors, including complexity of the case, the types of instruments involved, and timeliness of the party requesting the adjudication in providing the required information and documents.

(3) Given the variety in adjudication requests and their vastly different nature, it is difficult for IRD to establish a performance pledge across the board for processing of adjudication requests. That said, IRD would draw up performance pledge, where appropriate, for specific types of adjudication requests. At present, IRD has already set a performance pledge for the time required to process adjudication requests in respect of claims for exemption involving transfer between group companies (85 per cent of such claims should be completed within three months after receipt of claims and substantive information).

(4) IRD is committed to enhancing the quality and efficiency of its service. From time to time, IRD issues guidelines on adjudication requests to assist stamp duty payers to understand and fulfill their obligation under SDO. To provide clarifications to stamp duty payers on certain important issues and facilitate their timely submission of relevant supporting documents, IRD will also issue checklists on points-to-note in future to assist the stamp duty payers concerned.

Ends