

**Press release**  
**New round of demand-side management measures**

Friday, February 22, 2013

The Government today (February 22) introduced two demand-side management measures to curtail risks brought about by the exuberant property market.

First, the cost of transactions will be increased generally by doubling across the board the rates of existing ad valorem stamp duty applicable to both residential and non-residential properties. For transactions valued at \$2 million or below, the stamp duty will increase from \$100 to 1.5 per cent of the consideration of the transaction. The highest rate for stamp duty on property will be raised from 4.25 per cent to 8.5 per cent.

The new stamp duty rates will not apply to Hong Kong permanent resident buyers who are not beneficial owners of any other residential property in Hong Kong at the time of acquisition of a residential property.

Second, amendment will be made to the Stamp Duty Ordinance so that stamp duty is charged on an agreement for sale and purchase of a non-residential property including commercial premises, offices, industrial premises and parking spaces. This amendment will standardise the stamp duty regime for both residential and non-residential property transactions, increase the transaction costs for the non-residential market and help forestall any possible shift in exuberance from the residential market to the non-residential market.

These two measures will take effect after midnight tonight, i.e. on February 23. Sale and purchase agreements signed today or before today are not affected.

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