

Press release
Stamp Duty (Amendment) Bill 2013 gazetted
Friday, April 5, 2013

The Stamp Duty (Amendment) Bill 2013 was gazetted today (April 5).

The Bill aims to implement the new measures that the Chief Executive in Council approved and the Government announced on February 22 to further address the overheated property market. The measures are:

(a) to increase the ad valorem stamp duty (AVD) rates on transactions for residential and non-residential properties; and

(b) to advance the charging of AVD on non-residential property transactions from the conveyance on sale to the agreement for sale, to tally with the existing arrangement for residential properties.

A government spokesman said the new measures are applicable to all persons except Hong Kong Permanent Residents (HKPRs) buying residential properties but who do not own any residential property in Hong Kong on the date of acquisition.

"Having regard to the Government's prevailing policy of according priority to the housing needs of HKPRs, we are mindful that any new measures to address the overheated property market should not impose undue financial burden on HKPRs who aspire to be homeowners. By further managing the demand for residential properties and combating short-term resale activities in respect of non-residential properties, we hope that the proposed new measures will help to address the overheated property market," said the spokesman.

"In drafting the Bill, with reference to the existing Special Stamp Duty and the proposed Buyer's Stamp Duty regimes, we propose to grant exemptions from the enhanced AVD rates under specified circumstances. We also propose to put in place a refund mechanism for redevelopment projects and HKPRs who acquire a new residential property before disposing of their original one.

"In order that adjustments can be made in a timely manner as and when necessary having regard to the market situation, the Bill proposes to enable the Financial Secretary to amend the value bands and rates of AVD by way of subsidiary legislation

subject to negative vetting by the Legislative Council," he added.

The Bill will be introduced into the Legislative Council on April 17.

Ends