

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

政府總部
運輸及房屋局
香港九龍何文田佛光街33號



Government Secretariat
Transport and Housing Bureau
33 Fat Kwong Street, Ho Man Tin, Kowloon, Hong Kong

本局檔號 Our Ref. HD(CR) 72/1/177
來函檔號 Your Ref.

電話 TEL. 2761 5094
傳真 FAX. 2761 7444

19 July 2010

Clerk to LegCo Panel on Housing
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong

(Attn: Miss Becky Yu)

Dear Miss Yu,

**Payment of stamp duty for
the 24 concerned transactions of 39 Conduit Road**

At the Special Meeting of the Legislative Council Panel on Housing on 12 July 2010, Members asked for information on the payment of stamp duty for the 24 concerned transactions of 39 Conduit Road. I would like to provide Members with the following information.

Circumstances for paying stamp duty

Under Head 1 (1A) in the First Schedule of the Stamp Duty Ordinance, Cap 117 (the Ordinance), stamp duty of an Agreement for Sale and Purchase (ASP) of residential property has to be paid to the Inland Revenue Department (IRD) within 30 days after the signing of the ASP, unless the Commissioner of Inland Revenue (CIR) has granted approval for deferment of the stamp duty.

Under Section 29C (12) of the Ordinance, buyers of residential properties may apply to CIR for deferment of the stamp duty to within 30 days of the execution of an Assignment or within three years after an ASP is executed, whichever is the earlier¹. Under Section 29C(5A) of the Ordinance, an ASP is not chargeable to stamp duty if it is cancelled, annulled, rescinded or is otherwise not performed unless the cancellation etc is by reason of resale or disposal of the property through nomination or direction by the buyer (Section 29C(5A)(a), 29C(11)(b)(ii) and (iii) of the Ordinance).

The 24 transactions of 39 Conduit Road

According to IRD's record, the buyers of the 24 units of 39 Conduit Road applied for deferment of the stamp duty payment on 23 October 2009². The buyers were allowed to defer stamp duty in accordance with Section 29C(12) of the Ordinance as described in paragraph 3 above.

Present situation

Two of the 24 concerned transactions completed the Assignments on 11 June 2010, and another two completed the Assignments on 14 June 2010. IRD received the stamp duty payment for the aforementioned four completed transactions on 24 June 2010 (i.e. within 30 days of the execution of an Assignment). The amount of stamp duty paid for the four completed transactions is as below:

Unit	Consideration	Amount of stamp duty paid ³
30A	\$124, 135, 200	\$4, 655, 070
30B	\$133, 987, 200	\$5, 024, 520
31A	\$126, 105, 600	\$4, 728, 960
31B	\$134, 215, 600	\$5, 036, 835

¹ The measure which allows buyers to apply for deferment of stamp duty came into effect on 1 April 1999. However, notwithstanding that CIR has granted approval for deferment of stamp duty, if the buyer sells the property before the Assignment, the stamp duty must be paid within seven days after the sale. With effect from 1 April 2010, transactions of residential properties valued over \$20 million will not be allowed to defer paying the stamp duty.

² Of the 24 concerned transactions, the ASPs of eight of them were made on 14 October 2009, 12 were made on 15 October 2009, and 4 were made on 16 October 2009.

³ The ASPs for the four transactions were signed in October 2009. The rate of the stamp duty payable on an ASP made on or before 31 March 2010 for sale of residential property where the consideration exceeds \$ 6.72 million is 3.75%.

Of the remaining 20 transactions, 17 were cancelled on 11 June 2010, and the other three were cancelled on 14 June 2010. The cancellation documents were registered with Land Registry on 30 June 2010 for cancellation. As mentioned above, an ASP is not chargeable to stamp duty if it is cancelled.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Eugene', with a long horizontal stroke extending to the right.

(Eugene Fung)

for Secretary for Transport and Housing

c.c.

Commissioner of Inland Revenue (Attn : Mrs Teresa Chu)