

Bills Committee on Stamp Duty (Amendment) Bill 2012

**List of follow-up actions arising from the discussion
at the meeting on 8 April 2013**

The Administration was requested to:

- (a) reconsider enhancing the refund mechanism of the Buyer's Stamp Duty (BSD) for redevelopments, including refunding the BSD when an investor or developer has accumulated an interest of not less than 80% in a residential building, or when the original property has been demolished and the building plan of the redevelopment has been approved;
- (b) in respect of private redevelopment, consider exempting companies from paying the BSD upfront as and when individual units are acquired on the condition that the shareholders of the companies undertake (with bank guarantee or other collateral) that the BSD chargeable would be payable with interest if subsequently the redevelopment is not completed within the "six-year period";
- (c) provide information from the Department of Justice on the justifications that the Special Stamp Duty and the BSD are constitutional and are legitimate taxation under the Basic Law, and to elaborate the application of Article 25 of the Basic Law in this respect;
- (d) in response to Hon Paul TSE's concerns, explain the reasons and justifications for not exempting companies whose shareholders are all Hong Kong permanent residents (HKPRs) from BSD despite a self-declaration by individual shareholders;
- (e) consider exempting companies whose shareholders are all HKPRs from BSD by setting out in explicit terms conditions under which exemption would be given, aided with a self-declaration mechanism; and
- (f) reconsider that religious and/or charitable corporations which are exempted from tax under section 88 of the Inland Revenue Ordinance be exempted from BSD.