

**Subcommittee on Rating (Exemption) Order 2016  
Follow-up to the Meeting on 7 March 2016  
Administration's Response**

The following sets out the supplementary information provided by the Government in response to the requests raised by Members at the meeting on 7 March 2016 –

**(a) The rates concession arrangement for tenants of the top ratepayer who receives the highest amount of rates concession (other than ratepayers providing subsidized housing) is as follows –**

- (i) According to the information of the Rating and Valuation Department (“RVD”), each shop within the properties of that ratepayer is a separate rateable tenement, which is subject to rates payment and is entitled to rates concession in 2016-17.
- (ii) According to the general provisions of the tenancy agreements between that ratepayer and its tenants, the rental is rates-exclusive, i.e. the rates has to be borne by the tenants. For ease of management, the property owner pays the rates as an agent on behalf of the tenants. In other words, RVD would issue to that ratepayer the quarterly rates demand notes for each of its rateable tenements and the ratepayer concerned will reflect the amount of rates payable in the rental demand notes issued to its tenants, so as to collect the sum involved from its tenants and make payment to RVD in one go.
- (iii) In the rates demand notes issued to that ratepayer, RVD would have already set out the amount of rates payable (after deducting the amount of rates concession) for each of the relevant tenements. The amount will also be reflected in the rental demand notes issued by that ratepayer to its tenants.

The above arrangement has been confirmed by the ratepayer concerned with RVD.

**(b) Information of the top 10 ratepayers with highest rates concession**

Information relating to the top 10 ratepayers expected to receive the highest amounts of rates concession in 2016-17 (other than organisations providing subsidized housing) is set out in **Annex**.

2. The rates concession measure benefits all ratepayers, regardless of whether the ratepayer is the owner or the tenant, and can provide relief to a wide spectrum of Hong Kong people. As to the arrangement of whether rates are paid by the owner or the tenant, it depends on the provisions of the tenancy agreements. Whether the rental is rates inclusive and whether the tenants are required to make rates payment through the owners is subject to the considerations of the owners and the tenants when drawing up the tenancy agreements. For ease of management, many owners of non-domestic properties act as the ratepayers, and they collect the amount of rates payable in one go when collecting rent from the tenants, and then make rates payment on behalf of the tenants. Under such an arrangement, the tenants themselves will remain to be the actual beneficiaries of the rates concession, in accordance with the provisions of the tenancy agreements.

Financial Services and the Treasury Bureau  
March 2016

**Top 10 ratepayers expected to receive  
the highest amounts of rates concession**  
(excluding organisations providing subsidized housing)

<b>Ratepayers</b>	<b>Amount of Rates Concession (\$ million)</b>	<b>No. of Rateable Properties held</b>
1	51.1	16 128
2	13.7	4 732
3	13.1	5 802
4	9.3	2 720
5	8.7	2 792
6	8.0	2 048
7	7.4	1 957
8	4.4	1 447
9	4.4	1 195
10	4.2	1 044
<b>Total</b>	124.3	39 865

Note: Since it involves the information of ratepayers, according to legal advice, RVD cannot disclose the identity of individual ratepayers without the latter's consent.