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 本署檔號 Our Ref.: (92)LDC 2/4070/18
 來函檔號 Your Ref. : CB4/PAC/CS(70,70A, 71&71A)

覆函請註明本署檔號
 Please quote our reference in your reply

我們矢志努力不懈，提供盡善盡美的土地行政服務。
 We strive to achieve excellence in land administration.

香港北角渣華道三三三號北角政府合署二十樓
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(By Fax : 2543 9197)

Mr Anthony CHU
 Clerk, Public Accounts Committee
 Legislative Council Secretariat
 Legislative Council Complex
 1 Legislative Council Road
 Central Hong Kong

Dear Mr CHU,

23 January 2020

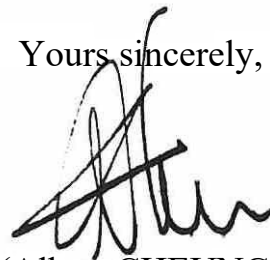
**Follow-up to Public Accounts Committee Report No. 39
 Small house grants in the New Territories**

Thank you for your letter dated 6 January 2020. I am authorised to provide a reply as follows.

The Court of First Instance of the High Court (CFI) handed down the judgement and subsequent orders on the judicial review on the Small House Policy (the Policy) on 8 April and 30 April 2019 respectively. The CFI ruled that the Free Building Licence and Land Exchange arrangements for building small house on private land under the Policy, being a lawful traditional right and interest of the indigenous inhabitants of the New Territories within the meaning of Article 40 of the Basic Law, are lawful and constitutional, while the Private Treaty Grant (PTG) and Land Exchange arrangements for building small house on government land under the Policy are not. The CFI also stated that the judgment would take effect on 8 October 2019. As reported in the Annual Progress Report submitted to the Legislative Council Public Accounts Committee on 31 October 2019, since the judgment involves the interpretation of Article 40 of the Basic Law which is of constitutional importance, having considered legal advice, the Government lodged an appeal on 9 July 2019 with the Court of Appeal against the CFI judgment.

Since the judgment took effect, the Lands Department has suspended the processing of the applications already received for building small house on government land by way of the PTG and Land Exchange arrangements, as well as the receipt of new applications for these two types of grants since 8 April 2019. Pending the results of the appeal, the aforesaid arrangements will be maintained.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Albert Cheung', written in a cursive style.

(Albert CHEUNG)
for Director of Lands

c.c.

Secretary for Development (Fax no. 2147 3691)

Secretary for Financial Services and the Treasury (Fax no. 2147 5239)

Director of Audit (Fax no. 2583 9063)