

立法會
Legislative Council

LC Paper No. CB(1)1579/02-03
(These minutes have been seen
by the Administration)

Ref : CB1/BC/2/02/2

**Bills Committee on
Stamp Duty (Amendment) Bill 2002**

**Minutes of second meeting held on
Friday, 11 April 2003 at 8:30 am
in Conference Room A of the Legislative Council Building**

Members present : Hon SIN Chung-kai (Chairman)
Hon Eric LI Ka-cheung, JP
Hon CHAN Kam-lam, JP
Hon Howard YOUNG, JP
Hon Miriam LAU Kin-yee, JP
Hon Henry WU King-cheong, BBS, JP

Member absent : Hon Abraham SHEK Lai-him, JP

Public officers attending : **Financial Services and the Treasury Bureau**

Miss Erica NG
Principal Assistant Secretary for Financial
Services and the Treasury (Treasury)

Inland Revenue Department

Mr LUK Nai-man
Deputy Commissioner

Mrs CHU WONG Lai-fun
Acting Assistant Commissioner

Mr Richard LEUNG
Chief System Manager

Miss WONG Tsui-ling
Senior Superintendent of Stamp Office

Department of Justice

Ms Lonnie NG
Senior Government Counsel

Clerk in attendance : Mr LAW Kam-sang
Deputy Secretary General

Staff in attendance : Miss Monna LAI
Assistant Legal Adviser 7

Ms Cindy CHENG
Senior Assistant Secretary (1) 4

Action

I. Confirmation of minutes

(LC Paper No. CB(1)1033/02-03 - Minutes of first meeting on 27 February 2003)

The minutes of the first meeting held on 27 February 2003 were confirmed.

II. Meeting with the Administration and deputations

(a) LC Paper No. CB(3)189/02-03 – The Bill

(b) FIN 4/2306/00 issued on 29 November 2002 – The Legislative Council Brief

Action

- (c) LC Paper No. LS 19/02-03 – The Legal Service Division Report
- (d) LC Paper No. CB(1) 960/02-03(01) – Letter dated 9 December 2002 from Assistant Legal Adviser 7 to the Administration
- (e) LC Paper No. CB(1) 960/02-03(02) – Reply dated 12 December 2002 from the Administration to Assistant Legal Adviser 7
- (f) LC Paper No. CB(1) 960/02-03(03) – Marked-up copy of the Bill prepared by the Legal Service Division
- (g) LC Paper No. CB(1) 2152/01-02(03) – Panel on Financial Affairs paper 'New Method of Stamping Without Presentation of Original Instrument'
- (h) LC Paper No. CB(1) 86/02-03 – Extract from minutes of the Panel on Financial Affairs meeting on 19 July 2002
- (i) LC Paper No. CB(1)960/02-03(04) – Letter dated 24 February 2003 from the Financial Services and the Treasury Bureau
- (j) LC Paper No. CB(1)960/02-03(05) – Letter dated 24 February 2003 from Assistant Legal Adviser 7 to the Administration
- (k) LC Paper No. CB(1)1018/02-03(01) - Letter dated 27 February 2003 from the Financial Services and the Treasury Bureau to the Assistant Legal Adviser 7
- (l) LC Paper No. CB(1) 1111/02-03(01) - Powerpoint presentation and an outline of Electronic Property Stamping System
- (m) LC Paper No. CB(1) 1111/02-03(02) - Submission from the Property Agencies Association Ltd

Action

- (n) LC Paper No. CB(1) 1111/02-03(03) - Submission from the Estate Agents Authority
- (o) LC Paper No. CB(1) 1111/02-03(04) - Submission form the Real Estate Developers Association of Hong Kong (English version only)
- (p) LC Paper No. CB(1) 1111/02-03(05) - Submission from the Hong Kong Chamber of Professional Property Consultants Ltd (Chinese version only)
- (q) LC Paper No. CB(1) 1111/02-03(06) - Submission form the Law Society of Hong Kong (English vesion only)
- (r) LC Paper No. CB(1) 1182/02-03(01) - Letter from the Taxation Institute of Hong Kong (English version only)
- (s) LC Paper No. CB(1) 1111/02-03(07) - Letter dated 10 March 2003 from Assistant Legal Adviser 7 to the Administration
- (t) LC Paper No. CB(1)1182/02-03(02) - Letter dated 18 March 2003 from the Administration to Assistant Legal Adviser 7
- (u) LC Paper No. CB(1) 1111/02-03(08) - Summary of views prepared by the LegCo Secretariat

2. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

Follow-up actions to be taken by the Administration

Admin 3. As requested by the Bills Committee, the Administration undertook to take the follow-up actions listed below:

- (a) to clarify who might register as users of the new electronic stamping system and whether it was intended to place any restriction on the users when they accessed the new system;

Action

- (b) to consider whether it was feasible for applicants of stamp certificates to pay stamp duty by credit card;
- (c) to consider how the proposed electronic stamping system could indicate the validity of stamp certificates in respect of stamp duty that was paid by cheques, given that cheques might not be honoured upon clearance;
- (d) to consider whether it was feasible to use the proposed stamping system to issue stamp certificates for instruments in respect of properties that were being transferred as gifts;
- (e) to consider again the need to define in the Bill "error" in stamp certificates;
- (f) to reply to the letter of the Assistant Legal Adviser sent to the Administration on 10 April 2003; and
- (g) to update its response to the "Summary of concerns/comments raised in the submissions" by incorporating its response to the views expressed by representatives of the Hong Kong Real Estate Agencies General Association at the meeting.

Date of next meeting

4. Members agreed that the third and fourth meetings would be held on Tuesday, 22 April 2003 at 8:30 am and on Friday, 9 May 2003 at 10:45 am respectively.

III. Any other business

5. There being no other business, the meeting ended at 10:10 am.

Council Business Division 1
Legislative Council Secretariat
30 April 2003

**Proceedings of the second meeting of the
Bills Committee on Stamp Duty (Amendment) Bill 2002
on Friday, 11 April 2003, at 8:30 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 - 000305	Chairman	Confirmation of minutes of the first meeting (LC Paper No. CB(1)1033/02-03)	
000306 - 003007	Administration	Power-point presentation by the Administration on the electronic Property Stamping System (PSS) (LC Paper No. 1111/02-03(01))	
003008 - 003128	Chairman Administration	Financial and staff implications of PSS	
003129 - 003233	Mr CHAN Kam-lam Administration Chairman	Whether information in the electronic stamp certificate would reveal private data	
003234 - 004435	Ms Miriam LAU Chairman Administration Mr CHAN Kam-lam	(a) Types of registered users and procedures for registration (b) Verification of registered users (c) Information to be included in electronic stamp certificate and whether verification of such information would be free of charge	Admin to clarify who may register as users of the new electronic stamping system and whether it is intended to place any restriction on the users when they access the new system

		(d) Whether there would be any restriction on users when they accessed the new system	
004436 - 004807	Chairman Mr Henry WU Administration	(a) Whether information in the electronic stamp certificate could be verified by applicant at the Stamp Office (b) Protection of information in the electronic stamp certificate	
004808 - 004933	Ms Miriam LAU Chairman Administration	(a) Whether PSS would be an alternative option for all users (b) Whether existing stamping system would eventually be replaced by PSS	
004934 - 005410	Ms Miriam LAU Chairman Administration	(a) Payment method under PSS (b) Whether payment by credit card for stamp duty would be accepted under PSS	On item (b), Admin to consider if it is feasible to accept credit card payment for stamp duty
005411 - 010000	Mr Henry WU Chairman Administration Ms Miriam LAU	Verification of the validity of the electronic stamp certificate if stamp duty was paid by cheques	Admin to consider how the proposed PSS can indicate the validity of stamp certificates in respect of stamp duty that is paid by cheques
010001-010108	Mr CHAN Kam-lam Chairman Administration Ms Miriam LAU	Need and rationale for storing all valid stamp certificates for 15 years given that the Collector of Stamp Revenue (the Collector) would only take any recovery action within 6 years from the expiration of the time for stamping the instrument	

010109-010302	Chairman Administration	Whether information contained in the stamp certificate could be verified via Internet	
010303-010710	Ms Miriam LAU Chairman Administration	(a) Computation of stamp duty under PSS (b) Whether electronic stamp certificate could be issued for instruments in respect of properties that were being transferred as gifts	On item (b), Admin to advise if it would be feasible to issue electronic stamp certificate for instruments in respect of properties that are being transferred as gifts
010711-011335	Representatives of Hong Kong Real Estate Agencies General Association	(a) Valid stamp certificates of tenancy agreements be stored for 7 years only (b) Whether additional copies of stamp certificate might be provided for applicants upon request (c) PSS should be made compatible with the computer system of the Land Registry to enhance efficiency in PSS's checking function	
011336-011426	Chairman Administration	Administration's response to summary of concerns/comments raised in submissions (LC Paper No. 1407/02-03(01))	Admin to update its response incorporating the views of the representatives of Hong Kong Real Estate Agencies General Association
011427-013050	Ms Miriam LAU Administration Chairman ALA7	(a) Whether there was any mechanism to check if there was any error in a stamp certificate	Admin to consider again the need to define in the Bill "error" in stamp certificates

		<p>(b) Cancellation of stamp certificate by the Collector because of error in the stamp certificate</p> <p>(c) Time limit for cancellation of a stamp certificate because of error in the certificate</p> <p>(d) Whether the power of the Collector to request presentation of an instrument for inspection be restricted to within 6 years from the expiration of the time for stamping</p> <p>(e) Notifying the person concerned regarding cancellation of stamp certificate</p> <p>(Clause 18J)</p>	
013051- 013434	Chairman Mr CHAN Kam-lam Ms Miriam LAU Mr Eric LI	Date of the third and fourth meetings	