

Stamp Duty (Amendment) Bill 2002

The following represents views of the Estate Agents Authority on the captioned subject. These are prepared for the reference of the Bills Committee at its meeting scheduled for 20th March 2003 while the Authority's Practice Committee and the trade have yet to be consulted over time.

2. It is understood that the amendment bill will seek to provide, in addition to the conventional stamping system, an alternative system of stamping under which the Collector of Stamp Revenue may issue a stamp certificate in respect of certain instruments chargeable with stamp duty, such as agreements for sale and purchase and tenancy agreements. It is also noted that with the implementation of the new system, the burden of processing bulky original documents will be reduced, resulting in speedier and more convenient service to the public.

3. Estate agents are frequent users of the stamping service, especially in the processing of tenancy agreements. The Inland Revenue Department wrote to the major trade associations in February 2002 seeking their views and we are given to understand that the associations generally responded favourably to the proposed alternative.

4. The proposed alternative stamping system will provide a speedier service without extra cost to its users and is therefore worthy of our support. However, we wish to point out that the proposed alternative system comprises a comprehensive electronic stamping process which embraces such functions as accepting electronic applications for stamping, processing of application forms, assessing stamp duties, accepting payment through account transfer, and the issuance of electronic certificates of stamping. As such, the system has to be convenient and user-friendly in order to be an effective alternative to the existing system. Since payment will be transferred electronically, security safeguards as well as transaction cost payable by users will also be important considerations.