

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1815/12-13

(These minutes have been seen  
by the Administration)

Ref : CB1/BC/1/12

**Bills Committee on Stamp Duty (Amendment) Bill 2012**

**Minutes of third meeting on  
Monday, 4 February 2013, at 2:30 pm  
in Conference Room 2 of the Legislative Council Complex**

**Members present** : Hon Starry LEE Wai-king, JP (Chairman)  
Hon James TO Kun-sun (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon Emily LAU Wai-hing, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon James TIEN Pei-chun, GBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon Charles Peter MOK  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Hon Tony TSE Wai-chuen

**Members absent** : Hon CHAN Kam-lam, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon Cyd HO Sau-lan  
Dr Hon LAM Tai-fai, SBS, JP  
Hon WONG Kwok-kin, BBS  
Hon CHAN Yuen-han, SBS, JP  
Hon TANG Ka-piu

**Public officers attending** : Agenda item II

Transport and Housing Bureau

Mr Duncan PESCOD, JP  
Permanent Secretary for Transport and Housing  
(Housing)

Ms Agnes WONG, JP  
Deputy Secretary for Transport and Housing  
(Housing)

Mrs Vicki KWOK  
Principal Assistant Secretary for Transport and  
Housing (Housing) (Private Housing)

Mr Kasper NG  
Senior Administrative Officer (Private Housing)

Financial Services and the Treasury Bureau

Ms Mable CHAN, JP  
Deputy Secretary for Financial Services and the  
Treasury (Treasury) 2

Ms Shirley KWAN  
Principal Assistant Secretary for Financial Services  
and the Treasury (Treasury) (Revenue)

Inland Revenue Department

Mr Richard WONG, JP  
Deputy Commissioner of Inland Revenue  
(Operations)

Ms TSE Yuk-yip, JP  
Assistant Commissioner of Inland Revenue

Mr HONG Wai-kuen  
Senior Superintendent of Stamp Office

Department of Justice

Ms Monica LAW  
Senior Assistant Law Draftsman

Ms Selina LAU  
Senior Government Counsel

**Clerk in attendance:** Ms Annette LAM  
Chief Council Secretary (1)3

**Staff in attendance :** Miss Kitty CHENG  
Assistant Legal Adviser 5

Ms Sophie LAU  
Chief Council Secretary (1)2

Miss Rita YUNG  
Council Secretary (1)3

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Action

- I. Confirmation of minutes of meeting**  
(LC Paper No. CB(1)500/12-13 -- Minutes of meeting held on  
18 January 2013)

The minutes of the meeting held on 18 January 2013 were confirmed.

- II. Meeting with the Administration**  
(LC Paper No. CB(1)511/12-13(01) -- List of follow-up actions  
arising from the discussion at  
the meeting on 25 January  
2013

LC Paper No. CB(1)511/12-13(02) -- Administration's response to  
LC Paper No.  
CB(1)511/12-13(01)

LC Paper No. CB(1)511/12-13(03) -- Hon Tony TSE Wai-chuen's  
(*English version only*) letter dated 25 January 2013

LC Paper No. CB(1)511/12-13(04) -- Hon James TO Kun-sun's  
(*Chinese version only*) letter dated 30 January 2013)

Relevant papers issued previously

(LC Paper No. CB(1)452/12-13(01) -- Submission from Hong Kong  
(*English version only*) Christian Council dated 17  
January 2013

LC Paper No. CB(3)263/12-13 -- The Bill

LC Paper No. CB(1)454/12-13(02) -- Marked-up copy of the Bill  
prepared by the Legal Service  
Division (Restricted to  
members only)

File Ref: Nil -- Legislative Council Brief  
issued by the Transport and  
Housing Bureau

LC Paper No. LS17/12-13 -- Legal Service Division  
Report)

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

3. The Chairman reminded members that under rule 83A of the Rules of Procedure (RoP) of the Legislative Council (LegCo), they should disclose the nature of any direct or indirect pecuniary interest before they spoke.

4. The Chairman, Mr Abraham SHEK, Mr WONG Ting-kwong, Mr Kenneth LEUNG, Mrs Regina IP, Mr James TIEN, Mr Tommy CHEUNG, Mr YIU Si-wing, Mr Tony TSE, Mr Ronny TONG, Mr WU Chi-wai, Mr James TO, Mr POON Siu-ping, Mr Alan LEONG, Ms Emily LAU, and Mr Paul TSE made declaration of interests respectively.

5. In the course of deliberation, members had discussed issues relating to the effectiveness of Special Stamp Duty (SSD) in combating speculation of residential properties, the impact of SSD on the supply of residential properties in the secondary market, as well as the rationale and justifications for increasing the SSD rates for the existing holding periods and lengthening the holding period to 36 months.

6. The Administration was requested to:

- (a) provide information on the percentage change in residential property prices of the mass and luxury sectors in the primary and secondary markets respectively by year since the implementation of the SSD in November 2010;
- (b) provide number of residential property transactions and short-term resale cases involving confirmor since the implementation of the SSD in November 2010 by year, with breakdown by various holding periods of 6 months or below, 6 to 12 months and 12 to 24 months;
- (c) in respect of the SSD cases set out in Annex A of the Administration's response to issues raised at the meeting of the Bills Committee on 25 January 2013 (LC Paper No. CB(1)511/12-13(02)), provide breakdown by the amount or value of the consideration of residential properties of say, below \$10 million, \$10-20 million and over \$20 million, etc;
- (d) provide figures on residential property transactions involving genuine home buyers and sellers who have sold their original flat and then acquired another flat, or vice versa, within a short period of time, before and after the implementation of SSD in November 2010;
- (e) in respect of the "Total number of agreements for sale" and "Total number of agreements for sale involving company buyers" in Table 1 in Annex B of the Administration's response (LC Paper No. CB(1)511/12-13(02)), provide breakdown by number of transactions in the primary and secondary markets since 2005;
- (f) explain the rationale and justifications, with statistics, for increasing the SSD rates for the existing holding periods and lengthening the holding period to 36 months;

- (g) provide information on and assess the impact of SSD on the supply of residential properties in the secondary market; and
- (h) provide information on and assess the impact of the Buyer's Stamp Duty on the share of non-local buyers in the primary and secondary residential property markets.

*(Post-meeting note: The information provided by the Administration was issued to members vide LC Paper No. CB(1)598/12-13(02) on 25 February 2013.)*

7. The Chairman reminded members that the next meeting would be held on Monday, 18 February 2013 at 9:00 am to meet with deputations and the Administration.

### **III. Any other business**

8. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
18 September 2013

**Proceedings of the third meeting of  
the Bills Committee on Stamp Duty (Amendment) Bill 2012  
on Monday, 4 February 2013, at 2:30 pm  
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<b>Agenda Item I - Confirmation of minutes of meeting</b>			
000130 – 000206	Chairman	Opening remarks  Confirmation of minutes of meeting held on 18 January 2013 (LC Paper No. CB(1)500/12-13)	
000207 – 001149	Chairman Mr Abraham SHEK Mr WONG Ting-kwong Mr Kenneth LEUNG Mrs Regina IP Mr James TIEN Mr Tommy CHEUNG Mr YIU Si-wing Mr Tony TSE Mr Ronny TONG Mr WU Chi-wai Mr James TO Mr POON Siu-ping Mr Alan LEONG Ms Emily LAU	Disclosure of direct or indirect pecuniary interest by members	
<b>Agenda Item II - Meeting with the Administration</b>			
001150 – 001434	Chairman	Members noted that the following submission and letters had been forwarded to the Administration for response:  (a) submission from Hong Kong Christian Council dated 17 January 2013 (LC Paper No. CB(1)452/12-13(01));  (b) Mr Tony TSE's letter dated 25 January 2013 (LC Paper No. CB(1)511/12-13(03)); and  (c) Mr James TO's letter dated 30 January 2013 (LC Paper No. CB(1)511/12-13(04)).	
001435 – 002332	Chairman Administration Mr Abraham SHEK Mr Tommy CHEUNG Ms Emily LAU Clerk	The Administration's explanation on the effectiveness of the Special Stamp Duty (SSD) as set out in its response to the issues raised at the meeting of the Bills Committee held on 25 January 2013 (LC Paper No. CB(1) 511/12-13(02))	

Time marker	Speaker	Subject(s)	Action required
002333 – 002826	Chairman Mr Abraham SHEK Mr James TIEN Administration	<p>Mr Abraham SHEK's and Mr James TIEN's views and concerns –</p> <p>(a) the effectiveness of SSD in addressing the overheated residential property market was doubtful given the continued surge in residential property prices despite the implementation of SSD since November 2010; and</p> <p>(b) SSD would affect vendors' willingness to sell and reduce the supply of residential stock in the secondary market, thus leading to the increase of price.</p> <p>Mr James TIEN requested the Administration to provide information on the percentage change in residential property prices of the mass and luxury sectors in the primary and secondary markets respectively by year since the implementation of SSD in November 2010.</p> <p>The Administration's response –</p> <p>(a) the current exuberant state of the residential property market was due to a combination of various factors, including the overall demand and supply imbalance, the influx of capital, the ultra-low interest rate environment, etc;</p> <p>(b) SSD aimed at curbing short-term speculative activities in the residential property market and it had been effective in curbing confirmor and resale cases within 24 months since its implementation in November 2010. The continued surge in residential property prices should not be interpreted as the failure of the SSD; and</p> <p>(c) in addition to the enhancements to the SSD to combat speculative activities, the Buyer's Stamp Duty (BSD) was introduced to accord priority to the housing needs of Hong Kong permanent resident (HKPR) buyers in the midst of the tight supply situation.</p>	The Administration to follow up as stated in paragraph 6(a) of the minutes.



Time marker	Speaker	Subject(s)	Action required
002827 – 003210	Chairman Ms Emily LAU Administration	<p>Ms Emily LAU's concern that the SSD had not only curbed short-term speculative activities, but also impeded the interests of genuine home buyers.</p> <p>The Administration's response –</p> <p>(a) after the enactment of enabling legislation for the SSD, the numbers of confirmor and resale cases within 24 months had dropped significantly. In particular, residential property transactions involving confirmor cases had dropped from around 3 800 in 2010 to around 880 in 2011, and there was a further drop to around 250 in January to September 2012; and</p> <p>(b) the total number of agreements for sale of residential property remained fairly steady after the introduction of the SSD (some 96 000 in 2011 and some 91 000 in 2012), and that transactions involving genuine homebuyers still accounted for the majority of the total number of transactions.</p> <p>Ms Emily LAU requested the Administration to provide number of residential property transactions and short-term resale cases involving confirmor since the implementation of the SSD in November 2010 by year, with breakdown by various holding periods of 6 months or below, 6 to 12 months and 12 to 24 months.</p>	The Administration to follow up as stated in paragraph 6(b) of the minutes.
003211 – 004519	Chairman Mr James TO Mr Paul TSE Administration	<p>Disclosure of direct or indirect pecuniary interest by Mr Paul TSE</p> <p>Mr James TO's and Mr Paul TSE's enquiries and views –</p> <p>(a) the justifications for increasing the respective SSD rates for the existing holding periods, as according to the Administration, the SSD had effectively curbed transactions for short-term resale within 6 months and between 6 to 12 months (only 89 (with holding period of 6 months or less) and 198 (with holding period between 6 to 12 months) SSD cases were recorded as at end 2012); and</p> <p>(b) the Administration should tackle the problem of continued surge in residential property</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>prices by increasing land and flat supply.</p> <p>The Administration's response –</p> <p>(a) the Administration had reviewed the SSD in view of the continued exuberant state of the property market;</p> <p>(b) it was noted that the effect of the SSD had diminished as the holding period of a property increased. 1 549 resale cases taking place between 12 and 24 months had been recorded as at end 2012, representing a significant increase from 198 resale cases taking place between 6 and 12 months as at end 2012. One of the reasons for such increase was the substantial rise in prices which effectively discount the 5% SSD rate;</p> <p>(c) the Administration therefore saw a need to provide a stronger disincentive for speculators and short-term investors by increasing the coverage period of the SSD from 24 months to 36 months, and increasing the SSD rates of the different holding periods; and</p> <p>(d) the Chief Executive had announced in his 2013 Policy Address a number of short to medium term housing and land supply measures to address the supply-demand imbalance. It was estimated that a total of 67 000 first-hand units should come on the private residential property market in the next three to four years.</p>	
004520 – 004743	Chairman Mr Tony TSE Administration	Mr Tony TSE requested the Administration to explain the rationale and justifications, with statistics, for increasing the SSD rates for the existing holding periods and lengthening the holding period to 36 months.	The Administration to follow up as stated in paragraph 6(f) of the minutes.
004744 – 005129	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai's concerns and enquires –</p> <p>(a) whether the SSD would affect vendors' willingness to sell and reduce the supply of residential properties in the secondary market; and</p> <p>(b) whether the Administration had set a target of</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>curbing short-term resale cases to a specific level.</p> <p>The Administration's response –</p> <ul style="list-style-type: none"> <li>(a) the SSD, being a demand-side management measure, aimed to provide a disincentive for speculators and short-term investors to purchase residential properties;</li> <li>(b) the SSD had been effective in curbing short-term speculative activities; and</li> <li>(c) as most genuine home buyers generally would not resell residential properties they acquired within a short period, the SSD therefore should not have a significant effect on the supply of flats held by these end-users. The Administration saw no significant impact of SSD on the overall supply of property for sale.</li> </ul>	
005130 – 005644	Chairman Mr Abraham SHEK Administration	<p>Mr Abraham SHEK's views and enquiries –</p> <ul style="list-style-type: none"> <li>(a) the SSD would affect vendors' willingness to sell and reduce the supply of residential properties in the secondary market, thus driving property prices up. Genuine home buyers were therefore also affected;</li> <li>(b) the total number of agreements for sale of residential property had decreased from 155 723 in 2010 to 96 034 in 2011, and had further decreased to 91 264 in 2012. The main reason for the decrease was the reduction in the supply of residential properties; and</li> <li>(c) enquired about the breakdown of the total number of agreements for sale of residential property in the primary and secondary markets respectively in 2011 and 2012.</li> </ul> <p>The Administration's response –</p> <ul style="list-style-type: none"> <li>(a) the supply of residential properties was mainly consisted of first-hand properties and second-hand properties;</li> <li>(b) there had been substantial reduction in the</li> </ul>	The Administration to follow up as stated in paragraph 6(g) of the minutes.

Time marker	Speaker	Subject(s)	Action required												
		<p>supply of first-hand residential properties in the past few years, with around 9 000 units per annum as compared with the long term average of around 20 000 units per annum over the past 10 to 15 years;</p> <p>(c) transactions of second-hand residential properties accounted for around 80% of the total transactions of residential property. The number of transactions in the secondary market was mainly determined by the buyers' ability to buy and the vendors' willingness to sell; and</p> <p>(d) the breakdown of the total number of agreements for sale of residential property in the primary and secondary markets was as follows:</p> <table border="1" data-bbox="635 952 1251 1140"> <thead> <tr> <th>Year</th> <th>Total no. of agreements for sale</th> <th>Primary market</th> <th>Secondary market</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>96 034</td> <td>10 365</td> <td>85 669</td> </tr> <tr> <td>2012</td> <td>91 264</td> <td>12 273</td> <td>78 991</td> </tr> </tbody> </table>	Year	Total no. of agreements for sale	Primary market	Secondary market	2011	96 034	10 365	85 669	2012	91 264	12 273	78 991	
Year	Total no. of agreements for sale	Primary market	Secondary market												
2011	96 034	10 365	85 669												
2012	91 264	12 273	78 991												
005645 – 010459	Chairman Mr James TIEN Mr James TO Administration	<p>Mr James TIEN pointed out that according to the Administration, flat prices had increased by a cumulative 34% since November 2010 when SSD was introduced. While SSD would affect property owners' willingness to sell in the secondary market and then acquired another flat for their own residence, he was concerned that the rise in flat prices would only benefit property developers in the primary market. Mr James TO shared Mr TIEN's views.</p> <p>The Administration's response –</p> <p>(a) the exuberant state of the property market was evident in all segments of the market, but particularly at the mass market end. Prices of mass market flats (i.e. flats smaller than 70 square metres in saleable area) had increased by a cumulative 34% since November 2010 when SSD was introduced, compared with an 18% increase for large flats over the same period; and</p>	The Administration to follow up as stated in paragraph 6(c) of the minutes.												

Time marker	Speaker	Subject(s)	Action required
		<p>(b) the current exuberant state of the residential property market was due to a combination of various factors, including the overall demand and supply imbalance, the influx of capital, the ultra-low interest rate environment, etc.</p> <p>In respect of the SSD cases set out in Annex A of the Administration's response to issues raised at the meeting of the Bills Committee on 25 January 2013 (LC Paper No. CB(1)511/12-13(02)), Mr James TO requested the Administration to provide breakdown by the amount or value of the consideration of residential properties of say, below \$10 million, \$10-20 million and over \$20 million, etc.</p>	
010500 – 010924	Chairman Mr Tommy CHEUNG Administration	<p>Mr Tommy CHEUNG questioned whether the Administration would consider further adjusting the SSD in the future by increasing the duty rate and/or extending the holding period in respect of the SSD in the event of continued exuberant state of the property market.</p> <p>The Administration reiterated that –</p> <p>(a) it was noted that the effect of the SSD had diminished as the holding period of a property increased;</p> <p>(b) the Administration therefore saw a need to provide a stronger disincentive for speculators and short-term investors by increasing the coverage period of the SSD from 24 months to 36 months, and increasing the SSD rates of the different holding periods; and</p> <p>(c) the Administration would continue to closely monitor the property market and would consider introducing suitable measures as necessary.</p>	
010925 – 011309	Chairman Mr WU Chi-wai Administration	<p>In response to Mr WU Chi-wai's concerns about the purported diminishing effect of the SSD as the holding period of a property increased, as well as the decrease in the total number of agreements for sale of residential property from 155 723 in 2010 to 96 034 in 2011, and further to 91 264 in 2012, the Administration responded that the SSD aimed at curbing short-term speculative activities in the residential property market and it had been</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>effective in curbing confirmor and resale cases within 24 months since its implementation in November 2010. There were factors affecting the total number of agreements for sale of residential property.</p>	
011310 – 011716	<p>Chairman Mr Abraham SHEK Administration</p>	<p>Mr Abraham SHEK reiterated his comments –</p> <ul style="list-style-type: none"> <li>(a) SSD would affect vendors' willingness to sell and reduce the supply of residential properties in the secondary market, thus leading to the increase of price; and</li> <li>(b) the Administration should tackle the problem of continued surge in residential property prices by increasing land and flat supply, rather than enhancing the SSD and introducing the BSD.</li> </ul> <p>The Administration reiterated that the SSD had been effective in curbing confirmor and resale cases within 24 months since its implementation in November 2010, and that the SSD targeted on short-term resale and should not have significant impact on genuine home buyers.</p>	
011717 – 012055	<p>Chairman Mr WU Chi-wai Administration</p>	<p>Mr WU Chi-wai's views and enquiries –</p> <ul style="list-style-type: none"> <li>(a) agreed that to some extent the SSD had been effective in curbing short-term speculative activities in the residential property market;</li> <li>(b) SSD would affect property owners' willingness to sell in the secondary market and then acquired another flat for their own residence, thus reducing the supply of residential properties in the secondary market;</li> <li>(c) whether the Administration considered resale cases within 36 months to be short-term speculative activities, and therefore proposed to extend the coverage period of the SSD to 36 months; and</li> <li>(d) whether the Administration had set a target of curbing short-term resale cases to a specific level.</li> </ul> <p>The Administration's response –</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(a) the SSD, being a demand-side management measure, aimed to provide a disincentive for speculators and short-term investors to purchase residential properties;</p> <p>(b) in general, most of the genuine home buyers who acquired a property for their own use would not resell the flat they acquired within a short period. Therefore the SSD should not have a significant effect on their decisions to buy or sell; and</p> <p>(c) the enhancements to the SSD were introduced in view of the exuberant property market. The Administration would continue to closely monitor the property market and consider introducing suitable measures as necessary.</p>	
012056 – 012742	Chairman Mr James TO Administration	<p>Mr James TO's view and request –</p> <p>(a) while SSD would affect property owners' willingness to sell in the secondary market and then acquired another flat for their own residence, the rise in flat prices would only benefit the property developers in the primary market; and</p> <p>(b) requested the Administration to provide figures on residential property transactions involving genuine home buyers and sellers who have sold their original flat and then acquired another flat, or vice versa, within a short period of time, before and after the implementation of SSD in November 2010.</p> <p>The Administration reiterated that –</p> <p>(a) property owners' willingness to sell was affected by a combination of various factors, including the owners' confidence in the market, etc; and</p> <p>(b) the SSD should not have a significant impact on home owners' decision to sell in the secondary market and then acquired another flat for their own residence, as most of them would not resell the flat they acquired within a short period.</p>	The Administration to follow up as stated in paragraph 6(d) of the minutes.

Time marker	Speaker	Subject(s)	Action required
012743 – 013240	Chairman Mr WONG Ting-kwong Administration	<p>Mr WONG Ting-kwong was concerned about the continued increase in residential property prices in recent years, and considered it imperative for the Administration to tackle the problem of continued increase in residential property prices.</p> <p>In respect of the "Total number of agreements for sale" and "Total number of agreements for sale involving company buyers" in Table 1 in Annex B of the Administration's response (LC Paper No. CB(1)511/12-13(02)), Mr WONG requested the Administration to provide breakdown by number of transactions in the primary and secondary markets.</p> <p>The Administration reiterated that the current exuberant state of the residential property market was due to a combination of various factors, including the overall demand and supply imbalance, the influx of capital, the ultra-low interest rate environment, etc.</p>	The Administration to follow up as stated in paragraph 6(e) of the minutes.
013241 – 013716	Chairman Mr Tony TSE Administration	<p>Mr Tony TSE's views and concern –</p> <p>(a) supported the Administration's proposal to increase the SSD rates of the different holding periods as the existing 5% SSD rate of the holding period of 12 to 24 months had limited effect; and</p> <p>(b) did not support the proposal to increase the coverage period of SSD from 24 months to 36 months, as it would further reduce the supply of residential properties in the secondary market.</p> <p>The Administration responded that the proposed enhancement to the SSD aimed to provide a stronger disincentive for speculators and short-term investors. With most speculators driven out of the residential property market, the end result would be a more healthy market of end-users.</p>	
013717 – 014226	Chairman Mr Abraham SHEK Administration	<p>Mr Abraham SHEK's views and comments –</p> <p>(a) the adoption of a high land price policy by limiting the land offered for sale would push up land and property prices; and</p>	The Administration to follow up as stated in paragraph 6(e) of the minutes.



Time marker	Speaker	Subject(s)	Action required
		<p>(b) SSD would affect property owners' willingness to sell in the secondary market and then acquired another flat for their own residence, thus reducing the supply of residential properties in the secondary market.</p> <p>In respect of the "Total number of agreements for sale" and "Total number of agreements for sale involving company buyers" in Table 1 in Annex B of the Administration's response (LC Paper No. CB(1)511/12-13(02)), Mr Abraham SHEK requested the Administration to provide breakdown by number of transactions in the primary and secondary markets since 2005.</p> <p>The Administration responded that the SSD aimed at curbing short-term speculative activities in the residential property market, therefore ensuring the market's healthy and stable development.</p>	
014227 – 014445	Chairman Mr James TIEN Administration	In response to Mr James TIEN's enquiry, the Administration responded that the enhanced SSD and the BSD were applicable to residential property transactions from 27 October 2012 onwards. Residential properties acquired before 27 October 2012 would not be affected.	
014446 – 014801	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai enquired whether the Administration had assessed the expected effect of increasing the coverage period of SSD from 24 months to 36 months in combating short-term speculative activities in the residential property market.</p> <p>The Administration reiterated that –</p> <p>(a) it had reviewed the SSD in view of the continued exuberant state of the property market. It was noted that the effect of the SSD had diminished as the holding period of a property increased;</p> <p>(b) the Administration therefore saw a need to provide a stronger disincentive for speculators and short-term investors by increasing the coverage period of the SSD from 24 months to 36 months, and increasing the SSD rates of the different holding periods; and</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(c) it would be difficult to estimate the expected effect of the enhanced SSD on short-term speculative activities as market situation could be affected by various external factors, such as the quantitative easing measures adopted by the United States, global liquidity glut, ultra-low interest rates, etc.</p>	
014802 – 015409	Chairman Administration	<p>The Chairman's concerns and enquiries –</p> <p>(a) agreed that to some extent the SSD had been effective in curbing short-term speculative activities in the residential property market;</p> <p>(b) whether the Administration considered resale cases within 36 months as short-term speculative activities, and therefore proposed to extend the coverage period of the SSD to 36 months;</p> <p>(c) was concerned that extending the coverage period of the SSD would further reduce the supply of residential properties in the secondary market; and</p> <p>(d) whether there had been application for exemption from SSD for resale within 2 years on the grounds of financial needs.</p> <p>The Administration's response –</p> <p>(a) the SSD should not have a significant effect on the supply of flats for sale held by genuine home buyers as most of these end-users would not resell residential properties they acquired within a short period; and</p> <p>(b) under the existing SSD regime, exemptions would be granted in certain circumstances but not on the grounds of financial needs.</p>	
015410 – 015955	Chairman Mr James TO Administration	<p>Mr James TO's view that the Administration's proposal to enhance the SSD by extending its coverage period from 24 months to 36 months, and increasing the SSD rates of the different holding periods could not appropriately address the overheated property market.</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
<b>Agenda Item III – Any other business</b>			
015956 – 020030	Chairman	Meeting arrangements	

Council Business Division 1  
Legislative Council Secretariat  
18 September 2013