

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1747/12-13  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/5/12

**Bills Committee on Stamp Duty (Amendment) Bill 2013**

**Minutes of second meeting on  
Friday, 31 May 2013, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon Starry LEE Wai-king, JP (Chairman)  
Hon James TO Kun-sun (Deputy Chairman)  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Dr Hon LAM Tai-fai, SBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon Charles Peter MOK  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon Dennis KWOK  
Hon Tony TSE Wai-chuen

**Member absent** : Hon SIN Chung-kai, SBS, JP

**Public officers attending** : Agenda item II  
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)

Transport and Housing Bureau

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

Inland Revenue Department

Ms TSE Yuk-yip, JP  
Acting Deputy Commissioner of Inland Revenue  
(Operations)

Mr HONG Wai-kuen  
Senior Superintendent of Stamp Office

Department of Justice

Miss Shandy LIU Wing-man  
Acting Senior Assistant Law Draftsman

Mr Manuel NG Man-chun  
Government Counsel

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

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

Mr Ken WOO  
Council Secretary (1)5

---

Action

- I. Confirmation of minutes of meeting**  
(LC Paper No. CB(1)1104/12-13 -- Minutes of meeting held on  
3 May 2013)

The minutes of the meeting held on 3 May 2013 were confirmed.

**II. Meeting with the Administration**

- (LC Paper No. CB(3)471/12-13 -- The Bill
- LC Paper No. CB(1)1132/12-13(01) -- Marked-up copy of the Bill prepared by the Legal Service Division (Restricted to members only)
- File Ref: TsyB R 183/700-6/5/0 (C) -- Legislative Council Brief issued by the Financial Services and the Treasury Bureau
- LC Paper No. LS40/12-13 -- Legal Service Division Report
- LC Paper No. CB(1)972/12-13(01) -- Paper on Stamp Duty (Amendment) Bill 2013 prepared by the Legislative Council Secretariat (background brief)
- LC Paper No. CB(1)960/12-13(01) -- Submission from The Law Society of Hong Kong dated 30 April 2013  
*(English version only)*
- LC Paper No. CB(1)971/12-13(01) -- Submission from Cordells dated 2 May 2013  
*(English version only)*
- LC Paper No. CB(1)1132/12-13(02) -- Hon Gary FAN Kwok-wai's letter dated 2 May 2013  
*(Chinese version only)*
- LC Paper No. CB(1)1194/12-13(01) -- Speaking note of the Deputy Secretary for Financial Services and the Treasury (Treasury) 2  
*(Chinese version tabled at the meeting, both language versions were subsequently issued on 4 June 2013)*
- LC Paper No. CB(1)1194/12-13(02) -- Speaking note of the Principal Assistant Secretary for Transport and Housing (Housing) (Private Housing)  
*(Chinese version tabled at the meeting, both language versions were subsequently issued on 4 June 2013)*

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 of the Legislative Council, they should disclose the nature of any direct or indirect pecuniary interest before they spoke.

4. The Chairman, Mr Abraham SHEK, Mr Andrew LEUNG, the Deputy Chairman, Mr Tony TSE, Dr LAM Tai-fai and Mr James TIEN made declaration of interests respectively.

Motion passed at meeting

5. Mr Andrew LEUNG moved the following motion, which was seconded by Mr James TIEN:

"本法案委員會要求政府當局撤回《2013年印花稅(修訂)條例草案》，並將本地物業市場區分為自用及投機兩類，協助本地市民及企業自置物業及正當營運。"

(Translation)

"That this Bills Committee requests the Administration to withdraw the Stamp Duty (Amendment) Bill 2013 and differentiate the local property market into two categories, one for self-occupation and the other for speculation, so as to help local people and enterprises acquire properties and operate properly."

6. The Chairman said that she would not exercise her voting rights. The Chairman put the motion to vote. Four members voted in favour of the motion and one member voted against the motion. The motion was carried.

Follow-up actions required of the Administration

7. The Administration was requested to:

- (a) advise the factors or target indicators, if any, for determining the timing for withdrawal of the demand-side management measures;
- (b) illustrate, with statistics such as the transaction figures for residential and non-residential properties, the exuberant state of the property market that justified the application of the proposed increase of the ad valorem stamp duty (AVD) rates to

non-residential properties;

- (c) provide the English version of the two speaking notes which were tabled at the meeting;
- (d) in respect of the proposed increase of the AVD rates on transactions for residential and non-residential properties under the Bill, provide a detailed comparison of similar demand-side management measures (including information such as the rates/percentage, exemption mechanism, impact on the property market and effectiveness, etc.) adopted by other economies, including Singapore;
- (e) provide detailed statistics in relation to the Administration's assessment that about half of the residential property buyers in the past three years were Hong Kong Permanent Residents who had already acquired one or more properties and thus the proposed adjustment of AVD under the Bill would affect only about half of the buyers in the residential property market; and
- (f) provide information on all researches, economic analysis and assessments conducted by the Administration when formulating the measures proposed under the Bill, and provide copies of all submissions on the Bill received by the Administration as well as the Administration's replies.

*(Post-meeting note: The information provided by the Administration on item (c) above was issued to members vide LC Papers Nos. CB(1)1194/12-13(01) and (02) on 4 June 2013. Information on the rest was issued to members vide LC Paper No. CB(1)1289/12-13(02) on 13 June 2013.)*

Date of next meeting

8. The Chairman reminded members that the next meeting would be held on Thursday, 13 June 2013 at 9:00 am to meet with deputations and the Administration.

**III. Any other business**

9. There being no other business, the meeting ended at 12:38 pm.

Action

- 6 -

Council Business Division 1  
Legislative Council Secretariat  
30 August 2013

**Proceedings of the second meeting of  
the Bills Committee on Stamp Duty (Amendment) Bill 2013  
on Friday, 31 May 2013, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<b>Agenda Item I – Confirmation of minutes of meeting</b>			
000503 – 000537	Chairman	Confirmation of minutes of the meeting on 3 May 2013	
<b>Agenda Item II – Meeting with the Administration</b>			
000538 – 000634	Chairman Mr Abraham SHEK Mr Andrew LEUNG Mr James TO	Disclosure of direct or indirect pecuniary interest by members	
000635 – 002004	Chairman Administration	General introduction of the Stamp Duty (Amendment) Bill 2013 ("the Bill") by the Administration (LC Papers Nos. CB(1)1194/12-13(01) and (02)).	
002005 – 002713	Chairman Mr Andrew LEUNG Administration	<p>Mr Andrew LEUNG's views and concerns:</p> <p>(a) in the absence of evidence showing a supply-demand gap in respect of non-residential properties or that the market could not find its own balance, it was undesirable to increase the cost of acquisition generally by doubling across the board the rates of the existing ad valorem stamp duty ("AVD") applicable to both residential and non-residential properties, as it would penalize genuine investors many of whom, in particular small and medium enterprises ("SMEs"), would mortgage their properties to finance their business operations;</p> <p>(b) the doubling of AVD should not be applied to a non-residential property acquired for self-use and was held for a period of more than, say, two years. Exemption should be granted to self-occupied non-residential properties. He said that he might propose a Committee Stage amendment to give effect to such exemption;</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(c) the Administration should:</p> <ul style="list-style-type: none"> <li>(i) advise the factors or target indicators, if any, for determining the timing for withdrawal of the demand-side management measures proposed under the Bill, given that the overall residential property transactions had already recorded a drastic drop from 6 307 cases in February 2013 to 3 427 cases in April 2013; and</li> <li>(ii) illustrate, with statistics such as the transaction figures for residential and non-residential properties, the exuberant state of the property market that justified the application of the increase in AVD rates to non-residential properties.</li> </ul> <p>The Administration's response:</p> <ul style="list-style-type: none"> <li>(a) there were signs of overheating in the non-residential property market as evidenced by a surge in the prices of retail, office and flatted factory space by a cumulative 23% to 45% in 2012 since 2002. Compared with the recent trough in 2009, sale prices for these properties had soared by 149% to 204%. To forestall the shifting of the exuberance condition in the residential market to the already overheated non-residential property market, there was a need to introduce the proposed demand-side management measures for the non-residential property at the same time and to achieve the immediate cooling effect on the non-residential property market; and</li> <li>(b) while the Government would not set a target in the property price level, it would closely monitor the property market by making reference to a basket of indicators including changes in interest rate, speculative activities in the property market, investment sentiments as well as situations in local and external economy in assessing the effectiveness of the proposed measures.</li> </ul>	<p>The Administration to follow up as stated in paragraphs 7(a) of the minutes.</p> <p>The Administration to follow up as stated in paragraphs 7(b) of the minutes.</p>



Time marker	Speaker	Subject(s)	Action required
002714 – 003509	Chairman Mr James TO Administration	<p>Mr James TO's views and concerns:</p> <ul style="list-style-type: none"> <li>(a) the Consulate General of Canada had expressed grave concerns that with the passage of the Bill, a Canadian insurer who had a significant presence in Hong Kong for decades would have to pay doubled AVD rates at some \$400 million in its recent acquisition of a commercial building in Hong Kong. The case spoke for itself the deterrence brought about by the proposed increase in AVD rates to enterprises who wished to purchase premises to control occupancy costs and secure their commercial future in Hong Kong; and</li> <li>(b) the Administration should differentiate between non-residential properties acquired for self-occupation and those for speculation, and separate genuine business investors from speculators under the Bill.</li> </ul> <p>The Administration's response:</p> <ul style="list-style-type: none"> <li>(a) some chambers of commerce and multi-national companies ("MNCs") had expressed concerns over the rapid surge in local rentals and sale price of non-residential properties;</li> <li>(b) while noting buyers of non-residential properties would have to pay at the enhanced AVD rates, their business operation and development would be affected by spiraling property prices in the absence of appropriate and timely measures to curb the market exuberance; and</li> <li>(c) while there were suggestions that the proposed increase in AVD rates could model on the existing special stamp duty ("SSD") by specifying a certain holding period of the non-residential properties for exemption purpose, there was a need for extraordinary measures under the current exceptional circumstances to cool down the exuberant property market. The increase in AVD rates across the board would be far more effective and immediate in addressing the overheating situation.</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
003510 – 003840	Chairman Mr Dennis KWOK Administration	<p>Mr Dennis KWOK's views and concerns:</p> <ul style="list-style-type: none"> <li>(a) the proposed measures would inevitably add to the operating costs of enterprises and might impact on Hong Kong's status as an international financial centre and regional competitiveness; and</li> <li>(b) whether the Administration would consider modeling on the practice of the Singapore Government on providing exemption for non-residential properties that were held for more than three years.</li> </ul> <p>The Administration's response:</p> <ul style="list-style-type: none"> <li>(a) given that speculative activities for industrial properties were on the rise, Singapore introduced the additional Seller's Stamp Duty targeting at industrial properties in January 2013. Depending on the length of the holding period, the sellers would be charged duty at the rates of 5-15%;</li> <li>(b) having regard to the prevailing overheated condition, the Government implemented the targeted measure by adjusting the AVD rates which could create an instant effect in cooling down the non-residential property market; and</li> <li>(c) if there was evidence to show that the overheated condition in the non-residential property market had been caused by short-term speculations, the Administration would critically review and introduce appropriate measures by making reference to the measures implemented by overseas jurisdictions to address the overheated property market.</li> </ul>	
003841 – 005037	Chairman Mr Abraham SHEK Administration	<p>Mr Abraham SHEK's views and concerns:</p> <ul style="list-style-type: none"> <li>(a) while the recent drastic decrease in property transactions appeared suggestive of the success of the proposed measures, many practitioners in the estate agency trade had already lost their job. The measures also carried far-reaching impact on the market perception of Hong Kong as a preferred</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
		<p>location for regional business headquarters;</p> <p>(b) the Administration should better assess the impact of the proposed measures on the economy before introducing the Bill, and given its importance, the relevant bureau secretaries should attend the Bills Committee meetings to explain the policy;</p> <p>(c) the Administration should provide the English version of the two speaking notes which were tabled at the meeting (LC Papers Nos. CB(1)1194/12-13(01) and (02)) for reference by the Bills Committee and MNCs; and</p> <p>(d) the Administration should have responded to the request of The Law Society of Hong Kong ("Law Society") for information as detailed in paragraph four of its submission (LC Paper No. CB(1)960/12-13(01)) and copied the Administration's replies to the Bills Committee.</p> <p>The Administration's response:</p> <p>(a) overall flat prices resumed upward momentum with a 2% gain in January 2013. It was more worrying to note that the renewed pick-up was more evident in the mass market (i.e. flats smaller than 70 square meters in saleable area), with price gain of 2% in January 2013 and a cumulative 124% gain over the recent trough in 2008. By the proposed measures, the Administration did not aim at dampening business sentiments but to address the overheated residential property market and to accord priority to the housing needs of Hong Kong Permanent Residents (HKPRs). The Administration had also been taking various measures to increase the land supply to addressing the land shortage;</p> <p>(b) the Administration had all along maintained dialogue with the relevant overseas organizations and concerned parties, and the English version of the two speaking notes would be provided to the Bills Committee shortly after the meeting;</p>	<p>The Administration to follow up as stated in paragraph 7(c) of the minutes.</p>

Time marker	Speaker	Subject(s)	Action required
		<p>(c) a briefing had been provided to the Law Society before the Bill was introduced and the views of the Law Society had been duly incorporated into the Bill as appropriate. For instance, the Bill recommended that where AVD was underpaid on the basis of the declarations made by the buyers, and the buyers had subsequently been found to be non-HKPRs or found to be the beneficial owners of other residential properties in Hong Kong at the time of acquiring the residential properties, the liability to pay for the difference between the old and the enhanced AVD rates should rest with the buyers only; and</p> <p>(d) arrangement had been made to meet with the Law Society again in a week to study the Bill in greater detail.</p> <p>Mr Abraham SHEK referred to the Administration's response (c) above and questioned as to why the Administration would not consider exempting companies whose shareholders were all HKPRs from the proposed Buyer's Stamp Duty (BSD) on the basis of self-declaration by individual shareholders while accepting declarations made by HKPR buyers.</p>	
005038 – 005740	Chairman Mr LEUNG Che-cheung Administration	<p>Mr LEUNG Che-cheung said that while the demand-side management measures were necessary to curb the speculative activities due to the imbalance between the supply and demand of residential properties, it would be too much of an intervention into free market operations to also regulate non-residential properties. He asked whether business enterprises had expressed concerns on the price-level of the non-residential property market.</p> <p>The Administration's response:</p> <p>(a) the new round of demand-side management measures aimed at forestalling the risk of the property market bubble from further increasing in light of the overheating situation. Failure to take actions in a timely manner would bring a very costly adjustment and endanger the overall macroeconomic and financial stability of Hong Kong. The</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Administration had assessed and concluded that there was a need to enhance demand management in respect of the residential property market and to forestall the shifting of the exuberance condition in the residential property market to the already overheated non-residential property market, the measures should thus cover the non-residential property market at the same time; and</p> <p>(b) the Administration was aware of the concerns expressed by chambers of commerce and enterprises in recent years over the surge in rentals and sale price of non-residential properties on their effective operations. Having balanced the far-reaching economic harm to be caused by the overheated property market against an increase in the acquisition costs for business enterprises, the Administration considered it necessary to introduce the extraordinary measures under the current exceptional circumstances in order to bring immediate relief to the overheated property market and to contain the risk posed to financial stability. A stable property market would be conducive to maintaining a desirable environment for business and investment.</p>	
005741 – 010503	Chairman Mr Charles MOK Administration	<p>Mr Charles MOK's views and concerns:</p> <p>(a) one way for SMEs and MNCs to manage long-term costs and guard against the increase in occupancy cost and inflation was to purchase commercial premises for their self-use. The implementation of the proposed measures had discouraged some MNCs from acquiring office and industrial buildings for redevelopment. The implementation of the proposed measures would curb the supply of non-residential properties at certain value bands, hence pushing up their sale price and rentals. The proposed measures would also be detrimental to Hong Kong's reputation as a free market;</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(b) as with the case in Singapore, the enhanced AVD should not be payable where a non-residential property was held for a certain period; and</p> <p>(c) the Administration should provide a detailed comparison of similar demand-side management measures (including information such as the rates/percentage, exemption mechanism, impact on the property market and effectiveness etc.) adopted by other economies, including Singapore.</p> <p>The Administration responded that the figures on recent property transactions provided at the meeting were meant to update members of the latest market position only and were not indicative of future developments. It was premature to draw a conclusion on the effectiveness of the proposed measures since they were only introduced a few months ago in February 2013. The Administration would continue to closely monitor market developments.</p>	<p>The Administration to follow up as stated in paragraph 7(d) of the minutes.</p>
<p>010504 – 011130</p>	<p>Chairman Mr Tony TSE Administration</p>	<p>Mr Tony TSE's views and concerns:</p> <p>(a) investors could actually circumvent payment of the enhanced AVD through transfer of company shares in effecting property transactions;</p> <p>(b) the six-month grace period for HKPRs to replace their residential properties or dispose of their original and only residential property in Hong Kong was too short and was impractical in the case of uncompleted flats; and</p> <p>(c) the enhanced AVD should not be payable where a non-residential property was held for a certain period of time.</p> <p>The Administration's response:</p> <p>(a) the Administration's policy objective was to cool down the property market immediately. To achieve such objective, targeted measure need to be implemented having regard to the prevailing situation in the property market.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Adjustment of the AVD rates covering both the residential and non-residential property market could create an instant effect. After due consideration, the Administration did not propose to complicate the stamp duty regime by introducing SSD or BSD for the non-residential property market;</p> <p>(b) there were similar discussions on acquisition of properties through transfer of company shares at the Bills Committee on Stamp Duty (Amendment) Bill 2012. In line with the existing SSD and the proposed BSD regimes, the Administration adopted the same legal principle that "a company is an entity independent of its shareholders" and would not take into account the residential properties held by HKPRs through a company in determining whether the relevant persons could be exempted from the enhanced AVD; and</p> <p>(c) the Government considered that the six-month grace period could meet the needs of HKPR buyers for replacing their residential properties. If the relevant period was extended, buyers would be allowed to own more than one residential property for a long period of time which would undermine the effectiveness of the measures.</p>	
011131 – 011954	Chairman Dr LAM Tai-fai Administration	<p>Dr LAM Tai-fai's views and concerns:</p> <p>(a) as with the case in the deliberation of the Stamp Duty (Amendment) Bill 2012, the Administration had turned a deaf ear to members' views and concerns;</p> <p>(b) the proposed measures only served to suppress transactions and were of little use in helping genuine home-buyers to acquire their own property;</p> <p>(c) it was highly undesirable to double across the board the rate of the existing AVD applicable to both residential and non-residential properties as this would penalize genuine investors, which formed the vast majority of non-residential property</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>buyers. The Administration's repeated message that it would introduce further measures to tackle the overheated property market as and when necessary had also added to the uncertain economic outlook which would further dampen investment sentiments and affect business planning. Stagnant property market would be detrimental to the economy as a whole and create unemployment not just in the real estate sector but also in other relevant industries; and</p> <p>(d) the enhanced AVD should not apply to non-speculative acquisitions of commercial property for long-term investments. A reasonable holding period should be set and the duty could be reinstated as the seller's liability if the property was sold before the specified holding period.</p> <p>The Administration said it noted that there were many reasons for the purchase of non-residential properties. The prime policy consideration was to cool down the non-residential property market immediately and to contain the risk posed to financial stability. The Administration should put in place a simple and clear exemption mechanism and too many exemptions would undermine the effectiveness of the proposed measures.</p>	
011955 – 012023	Chairman Mr Tony TSE Dr LAM Tai-fai	Disclosure of direct or indirect pecuniary interest by members	
012024 – 013115	Chairman Mr James TIEN Administration	<p>Mr James TIEN's disclosure of direct or indirect pecuniary interest and expression of views and concerns:</p> <p>(a) the existing SSD, proposed BSD and enhanced AVD had created uncertainties for foreign investment in Hong Kong;</p> <p>(b) the case of Manulife (International) Limited ("Manulife"), who recently acquired a \$4.5 billion office building in Kwun Tong and incurred doubled AVD rate at some \$400 million, had attracted the widespread concerns of various chambers of commerce;</p>	



Time marker	Speaker	Subject(s)	Action required
		<p>(c) the reduction in flat price upon the announcement of the proposed measures was only illusory. For instance, under the proposed measures, AVD payable for a property at a market value of \$10 million would be increased from \$0.375 million (3.75%) to \$0.75 million (7.5%), meaning that the purchaser would pay \$10.375 million and the seller would receive \$9.625 million. While the flat price was said to have been lowered from \$10 million to \$9.625 million, the flat price did not actually go down and the purchaser did not get any savings at all from the transaction; and</p> <p>(d) the Administration should separate genuine investors from speculators and introduce appropriate taxation measures tackling overheated speculative activities. The problem could also be solved through increasing land supply to minimize the demand-supply gap.</p> <p>The Administration's response:</p> <p>(a) the Administration had already met with Manulife as well as the Consulate General of Canada to explain the policy considerations of the proposed measures;</p> <p>(b) it was the Administration's policy objective to cool down immediately the overheating in the property market by adjusting the AVD rates. To avoid complicating the tax regime, the Administration did not propose to introduce new stamp duty but enhance the existing AVD rates in respect of non-residential properties under the Bill;</p> <p>(c) out of the transactions for residential properties involving individual buyers who were HKPRs in the past three years, less than half of the buyers owned other properties when conducting the relevant transactions, i.e. more than half of the local buyers would not be affected by the proposed increase in AVD rates; and</p>	

Time marker	Speaker	Subject(s)	Action required
		(d) while noting the operating cost would be one of the considerations, there were many factors that foreign companies would take into account when deciding to acquire non-residential properties and set up their operations in Hong Kong, e.g. the overall business environment and tax regime.	
013116 – 013147	Chairman	The Chairman advised that a motion moved by Mr Andrew LEUNG and seconded by Mr James TIEN had been received. In her opinion, the motion was directly related to the agenda item.	
013148 – 013522	Chairman Mr Kenneth LEUNG Administration	<p>Mr Kenneth LEUNG said that he had been consulted on the Manulife case. He expressed the following views and concerns:</p> <p>(a) the possibility of the Government introducing further measures to address the property market had caused anxiety and posed uncertainty to investors and would impact on investment sentiments; and</p> <p>(b) the implementation of taxation measures by way of negative vetting would likely cause unfairness for transactions which were in progress.</p> <p>The Administration explained that in order that the demand-side management measures could be adjusted in a timely manner as and when necessary with reference to the market situation, it had proposed in the Bill that the adjustments to the value bands and rates of AVD could be made by means of subsidiary legislation subject to the negative vetting by the Legislative Council. This was in line with the practice of overseas jurisdictions.</p>	
013523 – 014306	Chairman Mr James TO Administration	<p>Mr James TO's views and concerns:</p> <p>(a) the proposed refund mechanism for acquiring a new residential property and disposal of the old one should equally be applicable to non-residential properties; and</p> <p>(b) the Administration should provide detailed statistics in relation to its assessment that about half of the residential property buyers</p>	The Administration to follow up as

Time marker	Speaker	Subject(s)	Action required
		<p>in the past three years were HKPRs who had already acquired one or more properties and thus the proposed adjustment of AVD would affect only about half of the buyers in the residential property market.</p> <p>The Administration explained that to cater for the situation where HKPRs might own more than one residential property in the process of replacing their old property by a new one, a refund mechanism was put in place to handle the replacement of properties properly. As for the non-residential property market, there could be many reasons for the purchase of a property and the stamp duty regime would become very complicated if it had to provide for exemptions to cater for various circumstances.</p>	<p>stated in paragraph 7(e) of the minutes.</p>
<p>014307 – 015143</p>	<p>Chairman Mr Tommy CHEUNG Mr Andrew LEUNG Mr James TO Mr Abraham SHEK Administration</p>	<p>Discussion on the motion</p> <p>The Chairman, having consulted members, advised that a majority of the members present agreed to proceed to deal with the motion.</p> <p>Mr Andrew LEUNG said that doubling across the board the rates of the existing AVD applicable to both residential and non-residential properties was grossly inappropriate as this would seriously affect business activities. Noting that members from different political parties had all casted doubt on the proposed measures, he requested the Administration to withdraw the Bill and separate the property market into two categories, one for self-occupation and the other for speculation, so as to enable local people and enterprises acquire properties and operate properly.</p> <p>Mr James TO said that he did not agree to the motion because the Administration should be given the opportunity to provide the many information requested at the meeting to address members' concerns. He urged the Administration to differentiate genuine investment from speculative activities.</p> <p>Mr Abraham SHEK said that he was disappointed at the Administration's refusal to consider members' views expressed at the meeting.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Chairman urged the Administration to address members' concerns by providing the requested information, in particular the rationale for not modeling on Singapore's practice in exempting non-residential properties which were held for more than three years from the relevant stamp duty. She reminded members that this was only the first meeting with the Administration, and the Bills Committee would receive views from deputations in the next meeting scheduled for 13 June 2013.</p> <p>The Administration undertook to provide the information requested by members after the meeting.</p>	
015144 – 015158	Chairman	Voting on the motion	
015159 – 015329	Chairman Mr Abraham SHEK Administration	<p>Mr Abraham SHEK requested the Administration to provide information on all researches, economic analysis and assessments conducted when formulating the measures proposed under the Bill, and provide copies of all submissions on the Bill received by the Administration as well as the Administration's replies.</p> <p>The Chairman urged the Administration to provide the requested information and allow members to have sufficient time to study them.</p>	The Administration to follow up as stated in paragraph 7(f) of the minutes.
015330 – 015411	Chairman	<p>The Chairman advised that:</p> <ul style="list-style-type: none"> <li>(a) the Bills Committee had received three submissions and all have been forwarded to the Administration for a written reply; and</li> <li>(b) the next meeting of the Bills Committee would be held on 13 June 2013 to meet with deputations and the Administration.</li> </ul>	