

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1979/13-14  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/5/12

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

**Minutes of fifteenth meeting on  
Tuesday, 13 May 2014, at 4:30 pm  
in Conference Room 2B 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, GBS, 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 Kenneth LEUNG  
Hon Dennis KWOK  
Hon SIN Chung-kai, SBS, JP  
Hon Tony TSE Wai-chuen

**Members absent** : Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Charles Peter MOK  
Hon LEUNG Che-cheung, BBS, MH, JP

**Public officers  
attending** : Agenda item I

Financial Services and the Treasury Bureau

Professor K C CHAN, GBS, JP  
Secretary for Financial Services and the Treasury

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

Mr WONG Kuen-fai, JP  
Commissioner of Inland Revenue

Mr TAM Tai-pang, JP  
Deputy Commissioner (Operations)

Mr HONG Wai-kuen  
Acting Chief Assessor (Stamp Office)

Department of Justice

Mr Allen LAI  
Senior Government Counsel

Mr Manuel NG Man-chun  
Acting Senior Government Counsel

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

**Staff in attendance :** Mr KAU Kin-wah  
Senior Assistant Legal Adviser 3

Mr Ken WOO  
Senior Council Secretary (1)5

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**I. Meeting with the Administration**

- (LC Paper No. CB(1)1280/13-14(02) -- Hon James TO Kun-sun's letter dated 16 April 2014  
(*Chinese version only*)
- LC Paper No. CB(1)1338/13-14(01) -- Administration's response to Hon James TO Kun-sun's letter dated 16 April 2014
- LC Paper No. CB(1)1280/13-14(01) -- List of follow-up actions arising from the discussion at the meeting on 14 April 2014
- LC Paper No. CB(1)1338/13-14(02) -- List of follow-up actions arising from the discussion at the meeting on 25 April 2014
- LC Paper No. CB(1)1380/13-14(01) -- List of follow-up actions arising from the discussion at the meeting on 5 May 2014
- LC Paper No. CB(1)1401/13-14(01) -- Administration's responses to issues raised at the meetings on 25 April and 5 May 2014
- LC Paper No. CB(1)1380/13-14(02) -- Revised draft Committee stage amendments proposed by Hon Abraham SHEK Lai-him
- LC Paper No. CB(1)1380/13-14(03) -- Senior Assistant Legal Adviser's letter dated 6 March 2014 to the Administration
- LC Paper No. CB(1)1380/13-14(04) -- Administration's reply letter dated 11 April 2014 to Senior Assistant Legal Adviser

LC Paper No. CB(1)1409/13-14(01) -- Speaking note of the opening remarks delivered by the Secretary for Financial Services and the Treasury

LC Paper No. CB(1)1409/13-14(02) -- Speaking note of the closing remarks delivered by the Secretary for Financial Services and the Treasury  
(*Chinese version only*)

LC Paper No. CB(1)1409/13-14(03) -- Hon Paul TSE Wai-chun's letter dated 12 May 2014  
(*English version only*)

Relevant papers issued previously

LC Paper No. CB(3)471/12-13 -- The Bill

LC Paper No. CB(1)1132/12-13(01) -- Mark-up copy of the Bill prepared by the Legal Service Division (Restricted to members only)

LC Paper No. CB(1)1096/13-14(02) -- Administration's response to Senior Assistant Legal Adviser's letter dated 14 January 2014 as set out in LC Paper No. CB(1)1096/13-14(01)

Committee stage amendments

LC Paper No. CB(1)1847/12-13(01) -- Draft Committee stage amendments proposed by Hon Abraham SHEK Lai-him

LC Paper No. CB(1)1847/12-13(02) -- Draft Committee stage amendment proposed by Hon Andrew LEUNG Kwan-yuen

- LC Paper No. CB(1)88/13-14(01) -- Administration's responses to draft Committee stage amendments proposed by Hon Abraham SHEK Lai-him and Hon Andrew LEUNG Kwan-yuen as set out in LC Paper Nos. CB(1)1847/12-13(01) and (02)
- LC Paper No. CB(1)584/13-14(01) -- Draft Committee stage amendments proposed by Hon Tommy CHEUNG Yu-yan
- LC Paper No. CB(1)779/13-14(03) -- Administration's response to draft Committee stage amendments proposed by Hon Tommy CHEUNG Yu-yan as set out in LC Paper No. CB(1)584/13-14(01)
- LC Paper No. CB(1)1201/13-14(01) -- Draft Committee stage amendments proposed by Hon Tony TSE Wai-chuen
- LC Paper No. CB(1)1280/13-14(03) -- Administration's response to draft Committee stage amendments proposed by Hon Tony TSE Wai-chuen as set out in LC Paper No. CB(1)1201/13-14(01)
- LC Paper No. CB(1)105/13-14(01) -- Mark-up copy of Hon Abraham SHEK Lai-him's proposed Committee stage amendments to the Bill prepared by the Legal Service Division

LC Paper No. CB(1)105/13-14(02) -- Mark-up copy of Hon Andrew LEUNG Kwan-yuen's proposed Committee stage amendment to the Bill prepared by the Legal Service Division)

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

2. The Chairman, Mr WONG Ting-kwong, Mr Kenneth LEUNG, Mr Tony TSE, Mr Dennis KWOK, Mr Andrew LEUNG, Dr LAM Tai-fai, Mr Abraham SHEK and Mr Paul TSE disclosed their respective interests.

Follow-up action required of the Administration

3. The Administration was requested to provide written response on the following:

- (a) given that under the existing instrument-based ad valorem stamp duty ("AVD") regime, the acquisition of multiple residential properties under a single agreement for sale by a Hong Kong Permanent Resident who was not the beneficial owner of any other residential property in Hong Kong on the date of acquisition would be chargeable with the AVD at the old rate,
  - (i) to address members' concern about the possible abuse and inconsistency with the policy intent of the enhanced AVD measures to manage the demand of those who already owned a residential property in Hong Kong;
  - (ii) to explain the complexities involved and the problems that might arise if the legislation was to provide that except one property, all other properties in such instruments were to be chargeable with AVD at the enhanced rate;
  - (iii) to consider charging such instruments at the old rate only if declaration was made that the residential properties acquired were for self-use;
  - (iv) to consider limiting the exemption only to one residential property under one instrument; and

- (v) to justify the policy inconsistency with the Administration's latest exemption proposal on the acquisition of a residential property with a car parking space in a single instrument, in which the exemption from the enhanced AVD was restricted to one car parking space only; and
- (b) address members' concern that under the latest exemption proposal on the acquisition of a residential property and a car parking space in a single instrument, exemption would be granted to purchasers who did not own any car parking space, and not those who purchase the car parking space as a replacement property.

*(Post-meeting note: The information provided by the Administration was issued to members vide LC Paper Nos. CB(1)1468/13-14(01) - (02) on 20 May 2014.)*

Date of next meeting

4. The Chairman reminded members that the next meeting would be held on Monday, 19 May 2014 at 4:30 pm to meet with the Administration.

**II. Any other business**

5. There being no other business, the meeting ended at 6:25 pm.

Council Business Division 1  
Legislative Council Secretariat  
5 September 2014

**Proceedings of the fifteenth meeting of  
the Bills Committee on Stamp Duty (Amendment) Bill 2013  
on Tuesday, 13 May 2014, at 4:30 pm  
in Conference Room 2B of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<b>Agenda Item I – Meeting with the Administration</b>			
000338 – 000445	Chairman Mr WONG Ting-kwong Mr Kenneth LEUNG Mr Tony TSE Mr Dennis KWOK	Opening remarks  Disclosure of interests by members	
000446 – 001944	Chairman Administration	<p>The Secretary for Financial Services and the Treasury ("SFST") delivered opening remarks (LC Paper No. CB(1)1409/13-14(01)).</p> <p>SFST advised that having fully considered the views of the Bills Committee and relevant stakeholders, the Administration would introduce the following modified proposals to the Stamp Duty (Amendment) Bill 2013 ("the Bill"):</p> <p>(a) to relax the six-month timeframe for owners having acquired a new residential property before disposing of their original one by specifying the six-month period under the current arrangement in the Bill be adjusted to commence from the conveyance on sale instead of the agreement for sale and purchase of the newly acquired property;</p> <p>(b) while maintaining the two-year application timeframe after the execution of an agreement for sale and purchase of the newly acquired property, a new clause was proposed to allow application within two months from the conveyance on sale disposing of the original residential property, whichever was the later; and</p> <p>(c) to cater for the need of those acquiring a residential property and a car parking space by a single instrument by exempting also the car parking space from the doubled ad valorem stamp duty ("AVD") on condition that:</p> <p>(i) the buyer was a Hong Kong Permanent Resident ("HKPR") who was acting on</p>	



Time marker	Speaker	Subject(s)	Action required
		<p>his/her behalf and was not the beneficial owner of any other residential property and car parking space in Hong Kong at the time of acquisition of the concerned residential property and car parking space;</p> <p>(ii) the concerned exemption was restricted to one car parking space, irrespective of whether the car parking space was acquired for self-use or by a first-time buyer; and</p> <p>(iii) the concerned car parking space must be acquired together with the residential property in a single instrument, irrespective of whether the car parking space was located in the same residential development.</p> <p>SFST stressed that the two modified proposals were only technical in nature which were meant to address the home ownership needs of HKPRs, consistent with the prevailing policy. The two modifications did not represent any relaxation by the Government on the existing demand-side management measures.</p>	
001945 – 002335	Chairman Mr Andrew LEUNG Administration	<p>Mr Andrew LEUNG disclosed interests. While he was pleased with the modified proposals to the Bill, he was disappointed that no exemption would be granted for the acquisition of non-residential properties. The Business and Professionals Alliance for Hong Kong to which he belonged had been advocating that exemption from the doubled AVD should be granted for the acquisition of non-residential properties if the purchaser could prove that the properties acquired were for self-use. He urged the Administration to consider the proposal.</p> <p>The Administration responded that to accord priority to the home ownership needs of HKPRs, the Bill proposed to exempt residential property acquired by a HKPR, provided that on the date of acquisition of the property, s/he was not the beneficial owner of any other residential property. Given the differences in the nature of residential and non-residential properties, they should not be treated in the same way. The policy</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>considerations for non-residential properties were not on a par with addressing the home ownership needs of HKPRs. To ensure the effectiveness of the measures and prevent the spread of overheating situation to the non-residential property market, the Administration did not propose to provide exemption for non-residential property transactions.</p>	
002336 – 002828	Chairman Dr LAM Tai-fai Administration	<p>Dr LAM Tai-fai disclosed interests and expressed the following views and concerns:</p> <ul style="list-style-type: none"> <li>(a) the spreading of speculation to the non-residential property market was only an assumption, to which members of the Bills Committee did not agree. Extending the coverage of the Bill to non-residential properties would greatly dampen investments and the capitalist economy; and</li> <li>(b) while exemption from the enhanced AVD was provided for the acquisition of a residential property by a HKPR who was not the beneficial owner of any other residential property, he queried why similar exemption could not be provided to first-time purchasers of a non-residential property.</li> </ul> <p>The Administration responded that the successive rounds of demand-side management measures had addressed the overheating situation in the property market effectively. Despite the preliminary results, uncertainty still prevailed in the market and the supply of properties remained tight. It was therefore inappropriate to provide exemption for transactions of non-residential properties.</p>	
002829 – 003138	Chairman Mr Tony TSE Administration	<p>Mr Tony TSE welcomed the modified proposals which in his view would take care of the need of those changing properties by acquiring uncompleted flat before disposing of their original one. He made the following enquiries:</p> <ul style="list-style-type: none"> <li>(a) regarding the Administration's modified proposal to count the six-month period from the conveyance on sale instead of the agreement for sale and purchase of the newly acquired property:</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
		<p>(i) whether the Administration was aware that the date for execution of the conveyance on sale for the acquisition of a completed flat could be set at a later date; and</p> <p>(ii) whether there would be a change of the two-year period for applications for refund; and</p> <p>(b) since charging stamp duty on an instrument basis was an inherent feature under the Stamp Duty Ordinance (Cap. 117) ("SDO"), whether affected owners who had been made to sell their original properties not of their own volition could acquire multiple replacement properties through a single instrument.</p> <p>The Administration responded that:</p> <p>(a) the date for execution of the conveyance on sale was the private arrangement between the parties to the transaction;</p> <p>(b) the two-year refund application timeframe after the execution of an agreement for sale and purchase of the newly acquired property would remain unchanged under the modified proposal; and</p> <p>(c) for the acquisition of replacement property upon disposal under specified ordinances, the replacement property should be acquired on an one-for-one basis.</p>	
003139 – 003727	Chairman Mr Abraham SHEK	<p>Mr Abraham SHEK disclosed interests and expressed the following views and concerns:</p> <p>(a) while he was supportive of the doubled AVD measures to tackle speculation on the residential property market, he was opposed to subjecting transactions for non-residential properties to regulation. The harmful effects of the latter were evident by a remarkable decrease in the transaction volume for retail, office and flatted factory space by 41%, 49% and 57% respectively in 2013 compared with 2012, which had</p>	

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		<p>pushed up rentals, threatening the survival of business enterprises, especially small and medium enterprises ("SMEs") which made up over 90% of enterprises in Hong Kong; and</p> <p>(b) the Administration should consider modeling on the practice of the Singapore Government and exempt non-residential properties held for more than three years after acquisition from additional stamp duty.</p>	
003728 – 004114	Chairman Mr SIN Chung-kai Administration	<p>While saying that he would not object to the modified proposals, Mr SIN Chung-kai asked whether the Administration would accede to members' unanimous request for relaxing the six-month period allowed for divesting properties to twelve months.</p> <p>The Administration responded that the modified proposal in respect of the six-month timeframe would provide more time for home purchasers to dispose of their original property and better cater for the acquisition of a variety of completed and uncompleted flats. Having regard to the practices of changing properties and uphold the Government's policy objective, the six-month period for disposal transactions struck a balance between addressing the needs of HKPRs to replace their properties and safeguarding the effectiveness of the demand-side management measures.</p>	
004115 – 004534	Chairman Mr James TO Administration	<p>Mr James TO welcomed the modified proposal in respect of the acquisition of a residential unit with a car parking space. He however queried the following arrangements:</p> <p>(a) the proposal to count the six-month period from the conveyance on sale instead of the agreement for sale and purchase of the newly acquired property might mean an extension up to two months and up to three years for those seeking to replace an old property with a completed and an uncompleted flat respectively, hence resulting in policy inconsistency; and</p> <p>(b) where multiple residential properties were</p>	

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		<p>acquired under a single instrument by a HKPR who was not the beneficial owner of any other residential property in Hong Kong, the multiple acquisitions would be regarded as one single transaction and the instrument would be chargeable at the old AVD rate on the total consideration.</p> <p>The Administration responded that:</p> <p>(a) to count the six-month period from the conveyance on sale instead of the agreement for sale and purchase of all types of newly acquired residential properties was easy to understand for the public, and would ensure policy consistency and effective administration; and</p> <p>(b) given that the proposed measures were exceptional ones introduced under exceptional circumstances and having regard to the inherent feature to charge stamp duty on an instrument basis under the SDO, the Administration had no intention to impose any restrictions on circumstances where an instrument covered more than one residential property and make a fundamental change to the stamp duty regime.</p>	
004535 – 005131	Chairman Mr WONG Ting-kwong Administration	<p>Mr WONG Ting-kwong said that the Democratic Alliance for the Betterment and Progress of Hong Kong welcomed the modified proposals. He also expressed the following views and concerns:</p> <p>(a) given the huge investment in acquiring a residential property as well as the prudent decision and time required in disposing a property, the Administration should accede to members' request to relax the six-month period to twelve months; and</p> <p>(b) the mechanism under which the acquisition of multiple residential properties under a single instrument by a HKPR who was not the beneficial owner of any other residential property in Hong Kong would be chargeable at the old AVD rate was prone to be abused and was against the legislative intent of the Bill to combat speculation.</p>	

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		<p>The Administration responded that:</p> <ul style="list-style-type: none"> <li>(a) the modified proposals had in fact allowed more time to dispose of the original property; and</li> <li>(b) much complexities and problems might arise if the legislation was to provide that except one property, all other properties in an instrument were to be chargeable with AVD at the enhanced rate.</li> </ul>	
005132 – 005634	Chairman Mr Paul TSE Administration	<p>Mr Paul TSE disclosed interests and expressed the following views and concerns:</p> <ul style="list-style-type: none"> <li>(a) to absolve the Administration from being criticized for facilitating developers to sell new residential developments through the modified proposals, similar modification should be introduced in respect of the acquisition of a completed flat for changing properties;</li> <li>(b) the Administration should justify the policy inconsistency in exempting from the doubled AVD an instrument that acquired multiple residential properties but not an instrument that acquired more than one car parking space; and</li> <li>(c) from the letter dated 22 February 2013 issued by the Inland Revenue Department ("IRD") to The Law Society of Hong Kong announcing the doubled AVD measures, the legal profession was led to understand that exemption was applicable to one property only under one instrument and the profession might have been advising clients on that basis. In this connection, whether the Administration would consider exempting purchasers who might have been misled and thereby adversely affected.</li> </ul> <p>The Administration responded that:</p> <ul style="list-style-type: none"> <li>(a) the modified proposal in respect of car parking space was to cater for the practical need of HKPRs to acquire a car parking space along with a residential unit after having fully considered the views of</li> </ul>	

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		<p>members and relevant stakeholders. The Administration was however mindful about the unintended effects of any exemption and it had to take a stringent approach in drawing up the exemption rules to safeguard the effectiveness of the measures; and</p> <p>(b) much difficulties and complexities would arise if the prevailing practice of charging stamp duty on an instrument basis was changed.</p>	
005635 – 010049	Chairman Administration	<p>The Chairman requested the Administration to explain in detail the difficulties and complexities envisaged if only one property in an instrument would be exempted from the doubled AVD.</p> <p>The Administration explained that:</p> <p>(a) charging stamp duty on an instrument basis was a fundamental principle under the SDO. Immediately after the announcement of the doubled AVD measures, the IRD had uploaded onto its website frequently-asked questions which clearly set out that for a single instrument involving residential properties only, irrespective of the number of residential properties covered, IRD would regard the concerned residential properties as a single transaction and the AVD payable would be determined by the value bands and duty rates on the basis of the total consideration in respect of the concerned residential properties; and</p> <p>(b) the proposal of exempting only one residential property in an instrument from the doubled AVD would entail a number of associated issues that need to be clearly addressed in the legislation, such as the need to decide how to select the residential property in the instrument for exemption and how to evaluate the respective considerations of all properties covered in the instrument. Any change to the existing regime required careful consideration and the message must be clearly disseminated; otherwise it would invite market overreaction and unnecessary disputes.</p>	

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010050 – 010657	Chairman Dr LAM Tai-fai Administration	<p>Dr LAM Tai-fai expressed the following views and concerns:</p> <ul style="list-style-type: none"> <li>(a) exempting an instrument that acquired multiple residential properties from the doubled AVD would create a loophole and was against the legislative intent of the Bill to combat speculation; and</li> <li>(b) to address the business needs of SMEs, whether exemption from the doubled AVD could be granted to first-time purchasers of a non-residential property that was not sold within three years.</li> </ul> <p>The Administration reiterated its reasons.</p>	
010658 – 011530	Chairman Mr James TO Administration Mr Paul TSE	<p>Mr James TO requested the Administration to:</p> <ul style="list-style-type: none"> <li>(a) exempt non-HKPRs from the doubled AVD in the acquisition of a public rental housing flat under the Tenants Purchase Scheme ("TPS") as such flats would only be sold to sitting tenants and the exemption would not result in speculation; and</li> <li>(b) consider an alternative legislative means for future rate adjustments instead of the negative vetting mechanism currently proposed.</li> </ul> <p>Mr James TO opined that the proposed negative vetting mechanism was undesirable and would jeopardize the scrutiny power of the Legislative Council as any rate adjustment would require the support of the majority of the Members returning from the geographical and functional constituencies. The proposed negative vetting mechanism to amend Scale 2 of SDO which specified transactions for immovable properties to be exempted from the doubled AVD might also contravene The Basic Law. The Democratic Party might vote against the Bill if an alternative was not available.</p> <p>The Administration responded that it was following up the TPS cases. SFST said that he would address members' concern on the legislative means for future rate adjustment in his closing speech to be delivered later at the</p>	



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		<p>meeting.</p> <p>The Administration reiterated its stance in response to similar views raised by Mr Paul TSE.</p>	
011531 – 011827	Chairman Mr Abraham SHEK	<p>Mr Abraham SHEK expressed the following views and concerns:</p> <p>(a) granting of exemption from the doubled AVD in cases where multiple residential properties were acquired under a single transaction instrument lacked sound backing; and</p> <p>(b) he urged members to support his proposed Committee stage amendments to exempt non-residential property transactions from the doubled AVD and to relax the six-month period to dispose of the original property to 12 months upon acquiring a new residential property.</p>	
011828 – 012154	Chairman Mr Andrew LEUNG Administration	<p>Mr Andrew LEUNG said that it was pivotal for SMEs to be able to acquire a commercial property of their own as this would in return contribute to the employment rate and economic development. He urged the Administration to model on the practice of the Singapore Government and exempt the acquisition of non-residential properties for self-use from additional stamp duty.</p> <p>The Administration responded that while the demand-side management measures would cause inconvenience to the business community, they were extraordinary ones introduced under exceptional circumstances. Enterprises would ultimately benefit from a stable business environment with steady development in the property market.</p>	
012155 – 012514	Chairman Administration	<p>The Chairman expressed the following views and concerns:</p> <p>(a) although the modified proposal in respect of the six-month timeframe might appear to favour purchasers of uncompleted flats, the proposal was acceptable since the purchase of an uncompleted flat did not provide</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>immediate accommodation; and</p> <p>(b) the Administration should address members' various concerns and explain in detail the difficulties and complexities that might arise if only one residential property in an instrument would be exempted from the doubled AVD. She also asked whether consideration would be given to charging such instruments at the old rate only if declaration was made that the residential properties acquired were for self-use.</p> <p>The Administration responded that in considering members' suggestion to impose restriction on exemption according to the number of residential properties covered in a single instrument, the Administration needed to give due regard to practical situations such as the acquisition of two adjoining flats or a multi-storeyed property (as in the case of some parts of the New Territories) for home ownership purpose. If members' proposal was accepted, this would represent a "tightening up" of the measures and would bring uncertainties to the market's hitherto approach in handling property transactions.</p>	<p>The Administration to follow up as stated in paragraph 3(a) of the minutes.</p>
<p>012515 – 013019</p>	<p>Chairman Mr James TO Administration</p>	<p>On the acquisition of a residential property and a car parking space in a single instrument, Mr James TO requested the Administration to explain the rationale for granting exemption to purchasers who do not own any car parking space, but not those who purchase the car parking space as a replacement property.</p> <p>The Administration responded that to uphold the spirit of providing exemption for residential properties and to cater also to the home ownership needs of those who acquired a residential property and a car parking space by a single instrument, it was prepared to exempt the car parking space from the doubled AVD. However, given that car parking space was non-residential property in nature and any special exemption arrangement for car parking space should be closely related to the home ownership needs of the purchasers, it proposed that the exemption should be stringently drawn up.</p>	<p>The Administration to follow up as stated in paragraph 3(b) of the minutes.</p>

Time marker	Speaker	Subject(s)	Action required
013020 – 014002	Chairman Administration	The SFST delivered closing remarks (LC Paper No. CB(1)1409/13-14(02)).	
014003 – 014251	Chairman Mr James TO Administration	In reply to Mr James TO, the Administration undertook to seriously review further having regard to members' comments on the adjustment mechanism under the negative vetting approach.	
014252 – 014651	Chairman Mr Abraham SHEK Administration	<p>Mr Abraham SHEK expressed the following views and concerns:</p> <p>(a) he was opposed to the negative vetting mechanism to adjust future AVD rates as it went against the established mechanism in which adjustments to stamp duty rates were subject to the approval of the Legislative Council; and</p> <p>(b) acquisition of non-residential properties should not be subject to the doubled AVD.</p> <p>The Administration reiterated that the "hybrid" mode of future rate adjustment proposed under the Stamp Duty (Amendment) Bill 2012 was inappropriate for the Bill in recognition of its characteristics. The "hybrid" adjustment would create chaos to the market and the parties to property transactions would have difficulties to grasp the actual situation. These could not help achieve the objective of timely adjustments in response to market changes and hence the Government did not agree to such proposal.</p>	
014652 – 015011	Chairman Dr LAM Tai-fai	<p>Dr LAM Tai-fai said that he was disappointed at the following:</p> <p>(a) the Administration's inaction to plug the loophole in respect of the acquisition of multiple residential properties under a single instrument; and</p> <p>(b) the Administration's refusal to exempt the acquisition of non-residential properties from the doubled AVD.</p>	
015012 – 015323	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong urged the Administration to address members' concerns on the many issues on the Bill which had remained unresolved.	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
015324 – 015414	Chairman Dr LAM Tai-fai Mr Abraham SHEK	Dr LAM Tai-fai and Mr Abraham SHEK thanked SFST for his attendance at the meeting and the modified proposals.	
015415 – 015634	Chairman Administration	Meeting arrangements	

Council Business Division 1  
Legislative Council Secretariat  
5 September 2014