

Bills Committee on Stamp Duty (Amendment) Bill 2013

**List of follow-up actions arising from the discussion
at the meeting on 24 February 2014**

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

- (a) details of the Inland Revenue Department's operational guidelines, such as the procedures involved, the documentary evidence required and the conditions to be satisfied, etc., for handling cases where a party claiming to act in the capacity of a trustee or guardian on behalf of a Hong Kong Permanent Resident who was a minor or mentally incapacitated person in the acquisition of a residential property did not possess a declaration of trust or guardianship order;
- (b) the number of transactions involving minors or mentally incapacitated persons acquiring residential properties through trustees or guardians since the announcement of the enhanced Special Stamp Duty, Buyer's Stamp Duty and the enhanced ad valorem stamp duty ("AVD") measures;
- (c) set out the different scenarios where exemption from the enhanced AVD rate would be granted in respect of acquisition or transfer of a residential property between close relatives, acquisition of a replacement property (residential or non-residential) by a person affected by certain ordinances under specified situations, and exchange of a residential property for residential or non-residential property, etc., including the following situations:
 - (i) in the case of two adjacent properties which were structurally combined into one (the enquiry raised by a member of the public in LC Paper No. CB(1)817/13-14(01)); and
 - (ii) in the case of a transaction involving residential and non-residential units (such as parking space);
- (d) the basis and the guiding principles in determining whether a subject property was a residential or non-residential property;

- (e) in relation to the definition of "closely related persons" in proposed section 29AD of the Bill, address members' concern that conveyances on sale of residential property between in-laws, such as a couple and their parents, would not be exempted from the enhanced AVD rate; and
- (f) consider members' suggestion of imposing reasonable restrictions, such as on the size and value of the replacement property, to address the possible abuse of the exemption.

Council Business Division 1
Legislative Council Secretariat
26 February 2014