



消費者委員會 CONSUMER COUNCIL  
香港 • HONG KONG

By fax & mail: 2978 7569

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(English version only)

國際消費者聯會  
執委會及理事會成員  
EXECUTIVE AND  
COUNCIL MEMBER OF  
CONSUMERS  
INTERNATIONAL

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CC 1/257/LAD

3 June 2013

Clerk to Bills Committee  
Bills Committee on Stamp Duty (Amendment) Bill 2013  
Legislative Council Complex  
Legislative Council Road, Central  
Hong Kong

Attn: Mr. Ken Woo

Dear Mr. Woo,

Bills Committee on Stamp Duty (Amendment) Bill 2013

Thank you for your letter dated 8 May 2013 inviting the Council's views on the captioned Bill. Attached please find the Council's submission for discussion of the Bills Committee at the meeting on 13 June 2013.

Yours sincerely,

Gilly WONG  
Chief Executive  
Consumer Council

Encl.

## **Consumer Council**

### **Submission on Stamp Duty (Amendment) Bill 2013**

1. The Consumer Council (the Council) is pleased to provide views to the Legislative Council Bills Committee regarding the Stamp Duty (Amendment) Bill 2013. From the consumers' perspectives, the Council proposes to focus on the implication of the Bill on residential property transactions.
2. In summary, as shelter is a basic need to everyone in the society, the Council believes that a healthy residential property market with affordable prices shall be beneficial to the local consumers, especially the less well-off group. Therefore, the Council understands the government's intention to curb the heated property market through different measures.
3. It is noted that the Bill proposes to substantially increase the ad valorem stamp duty on all residential property transactions except where the purchaser(s) is a Hong Kong permanent resident ("HKPR") who does not own any other residential properties in Hong Kong at the time of acquisition of the subject property. With such exception in place, the Council believes that the increased stamp duty will mainly affect purchasers who intend to acquire residential property for investment or speculative purpose instead of end users of residential property in the local community.
4. It is further noted that the Bill attempts to cater for the situations in which the HKPR-purchasers intend to swap their existing residential property with a new one by providing a refund mechanism (being refund of difference between stamp duty payable under the existing scale and the increased scale) to such purchasers who can dispose of the old property within six months after the date of acquisition of the new one. The Council takes the view that the six-month time limit will encourage quicker disposal of the old property and stimulate the supply of residential units in the market.
5. Whilst appreciating the benefit as mentioned above, the Council is concerned with whether the six-month time limit provides adequate and realistic time for the HKPR-purchasers to administer the disposal of their old residential property, which is subject highly to market volatility and regulatory regime at the material time. In order to provide timely policy adjustment in

response to potential material changes in the property market, the Bill Committee is invited to consider whether the Administration should be empowered to amend or extend the six-month time limit to ensure that the refund mechanism continues to function effectively in providing an adequate period of time for the domestic home purchasers to sell the original residence at reasonable market price under different market circumstances.

6. Above all, the Council hopes that the Administration will closely monitor the changes of the residential market to ensure that the proposed measures serve the best interest of the home buyers.

Consumer Council

3 June 2013