

**Government's response to the issues raised at
the meeting of the Bills Committee on
Stamp Duty (Amendment) Bill 2017 held on 21 April 2017**

This paper provides the information requested by Members at the above meeting as set out in LC Paper No. CB(1)930/16-17(01).

Breakdown of monthly residential property transactions by age of buyer

2. The number of monthly residential property transactions where the buyer is a Hong Kong permanent resident (HKPR) acting on his/her own behalf and is not a beneficial owner of any other residential property in Hong Kong at the time of acquisition during the period from December 2016 (i.e. after the introduction of the New Residential Stamp Duty (NRSD)) to April 2017 is set out at **Annex A**. Since it is not necessary for buyers to provide their age information when presenting relevant instruments to the Inland Revenue Department (IRD) for stamping, IRD is unable to provide the breakdown of transactions by age of buyer.

3. Regarding the acquisition of a residential property by a trustee/guardian acting on behalf of a HKPR-minor, the transaction will be subject to ad valorem stamp duty (AVD) rates at Scale 2 under the exemption arrangement provided for under the doubled ad valorem stamp duty (DSD)/NRSD regime. IRD will verify the age of HKPR-minors when relevant instruments are presented for stamping. No such instrument was presented for stamping during the period from December 2016 to April 2017.

Payment of stamp duty with bank guarantee

4. If a HKPR replaces his/her only residential property by disposing of the original property before acquiring a new one, the acquisition of the new residential property will be subject to the lower AVD rates at Scale 2. As for those who replace their residential properties by acquiring a new property before disposing of the only original one, the NRSD measure maintains the refund mechanism provided for under the DSD regime. Under the existing mechanism, a HKPR who acquires a new residential property to replace his/her only original residential property will be subject to NRSD in the first instance,

but he/she may apply to IRD within the statutory time limit¹ for a partial refund of the AVD paid upon proof that his/her only original property has been disposed of within six months from the date of executing the assignment of the new residential property. The amount to be refunded is the stamp duty paid at the new rate of 15% in excess of that computed at Scale 2 rates. It is noted that bridging loans are currently provided by local banks for customers replacing their properties to cater for their financial needs during property replacement, such as making down payments for the new property, paying renovation costs and stamp duties, etc.

5. At the meeting held on 21 April, some members suggested that IRD should consider allowing buyers to pay AVD at Scale 2 rates rather than the NRSD rate of 15% when acquiring a new residential property in the first instance. Buyers have to provide IRD with a bank guarantee of an amount equal to the difference between stamp duty payments calculated at the 15% new rate and the Scale 2 rates. If buyers fail to dispose of their only original property within the six-month time limit, IRD may recover the difference from the guarantor bank.

6. After careful consideration, we consider the suggestion infeasible. Under the Stamp Duty Ordinance (SDO) (Cap. 117), both the buyer and seller shall, within 30 days after executing a chargeable instrument, present the instrument concerned to IRD for stamping and pay AVD at the applicable rate. Late payment of stamp duty is subject to a fine. The above suggestion amounts to allowing deferred payment of partial stamp duty, which will have a fundamental impact on the levying system of stamp duty. Moreover, the pre-sale period of some uncompleted residential properties can be as long as 30 months. In other words, under the existing refund mechanism, it is possible that persons replacing their properties may only dispose of their original properties 36 months after the date of executing the agreement for sale and purchase of the new property. If the above suggestion is accepted, it may invite some owners without genuine intention to dispose of their original property to take advantage of the arrangement to acquire a new residential property under the guise of property replacement and defer payment of NRSD for as long as three years. This will significantly undermine the effectiveness of the new measure. Furthermore, as far as administrative cost is concerned, IRD has to deploy substantial resources and manpower to continuously monitor

¹ There is a general time limit for claiming refunds, which is within two years from the date of executing the agreement for sale and purchase for acquisition of the new residential property or not later than two months after the date of executing the assignment for the disposal of the original residential property, whichever is the later.

if the buyer who claims to replace his/her property has disposed of his/her only original property within the six-month time limit in order to determine whether to recover the difference in stamp duty from the guarantor bank. This may not be an appropriate way to collect stamp duty.

Extension of the statutory time limit for disposal of the original property under the existing refund mechanism

7. The refund mechanism and the statutory time limit for disposal of the original property mentioned in paragraph 4 above have been thoroughly discussed by the relevant Bills Committee of the Legislative Council (LegCo) when it scrutinised the Stamp Duty (Amendment) Bill 2013 (the 2013 Bill) that implements the DSD measure. Taking into account the views of the Bills Committee, the Government revised the original arrangement by moving committee stage amendments (CSAs) to adjust the six-month time limit to commence from the date of conveyance on sale instead of the agreement for sale and purchase of the newly acquired property. Supported by LegCo, the CSAs were passed.

8. We believe that the adjusted statutory time limit mentioned above has struck the right balance between safeguarding the effectiveness of the demand-side management measures and addressing HKPRs' practical needs in replacing properties. Extension of the statutory time limit for disposal of the original property from six months to nine months or even 12 months may result in a situation where more property owners may acquire another residential property under the guise of replacement and delay disposal of their original one, which in effect allows them to hold more than one residential property for a long period of time. This is inconsistent with the policy objective of implementing the NRS measure and may also reduce the supply of residential properties in the secondary market, which would not help the circulation of residential properties. We gather that the repayment period for bridging loans currently provided by local banks for customers to replace their properties is also six months in general. We therefore consider the six-month statutory time limit for disposal of the original property practicable and appropriate.

Questions raised by Hon James TO

9. As regards the questions raised by Hon James TO in his letter (vide LC Paper No. CB(1)865/16-17(01)), our reply is as follows.

Acquisition of multiple properties under a single instrument

10. The table below sets out the breakdown of property transactions (which include at least one residential property) by number of properties acquired under a single instrument during the period from August 2016 to February 2017, where the buyer is a HKPR acting on his/her own behalf and is not a beneficial owner of any other residential property in Hong Kong at the time of acquisition.

| Number of properties (including at least one residential property) acquired under a single instrument | From August 2016 to November 2016 (after introduction of DSD but before introduction of NRSD) | From December 2016 to February 2017 (after introduction of NRSD) |
|---|--|---|
| 1 | 19 790 | 9 377 |
| 2-3 | 766 | 382 |
| 4-7 | 15 | 11 |
| 8-10 | – | 2 |
| 11-15 | – | – |
| over 15 | 1 | – |
| Total | 20 572 | 9 772 |

Source: IRD

Note:

1. When presenting instruments for stamping, applicants are only required to fill in the number of properties acquired under the instrument. The figures above may include non-residential properties (e.g. car parking spaces).
2. Owing to the time lag between executing a provisional agreement for sale and purchase and presenting an instrument for stamping, there is a time lag in the data above.
3. As information on the number of properties concerned is not available in IRD's computer system, substantial resources and manpower are required for retrieving records for data compilation. Thus, only information for the period starting from August 2016 (i.e. a few months before the introduction of NRSD) is provided.

Tightening of exemption arrangement under NRSD regime

11. The Government announced on 11 April 2017 the tightening of the exemption arrangement for HKPRs under the NRSD regime to prevent local buyers from making use of the exemption arrangement to evade payment of NRSD. Under the tightened exemption arrangement, acquisition of a single

residential property under a single instrument by a HKPR who is acting on his/her own behalf and is not a beneficial owner of any other residential property in Hong Kong at the time of acquisition will continue to be subject to the lower AVD rates at Scale 2. However, if the buyer concerned acquires more than one residential property under a single instrument, the transaction will no longer be exempted, and will be subject to the NRSD rate of 15%. The Government plans to introduce another bill into LegCo to amend the SDO to implement the tightened exemption arrangement.

12. IRD will consider the circumstances of individual cases and take into account relevant documents, including building plan, deed of mutual covenant, occupation permit, etc., when deciding whether properties concerned constitute a “single” residential property. Two vertically adjacent residential flats which have become one unit with an internal staircase as passageway according to an approved building plan will be considered as a “single” residential property. A residential flat and an adjacent private swimming pool which are inseparable for trade will also be considered as a “single” residential property.

13. According to media reports and market intelligence, the number of cases involving acquisition of multiple residential properties under a single instrument has decreased markedly after the Government’s announcement to tighten the exemption arrangement. The Government will continue to closely monitor the residential property market development.

Application for partial refund of stamp duty in relation to property replacement

14. The table below sets out the breakdown of applications for partial refund of AVD in relation to replacement of residential properties by time of submission after acquisition of the new residential property. It should be noted that the statutory time limit for disposal of the original property (i.e. within six months from the date of execution of the conveyance on sale for acquisition of the new property) is not the same as the statutory time limit for application for refund of stamp duty (i.e. within two years from the date of executing the agreement for sale and purchase for acquisition of the new property or not later than two months after execution of the conveyance on sale for the disposal of the original property, whichever is the later). Therefore, the submission time of “After 6 months” in the table below does not mean that the applications concerned were submitted beyond the statutory time limit for refund application.

| | Number of applications received from 25 July 2014 to November 2016 | Number of applications received from December 2016 to February 2017 |
|---|---|--|
| Within the first 3 months | 532 | 67 |
| In the 4 th or 5 th month | 1 083 | 200 |
| In the 6 th month | 621 | 63 |
| After 6 months | 3 042 | 206 |
| Total | 5 278 | 536 |

Source: IRD

Note: Counting from the date of execution of the agreement for sale and purchase on which AVD at Scale 1 rates has been paid.

15. The NRSD measure only involves raising the AVD rates chargeable on residential property transactions to 15%. The refund mechanism provided for under the existing AVD regime will be maintained in order to minimise confusion in the market. The refund mechanism for owners who replace properties by acquiring a new residential property before disposing of their original one is in line with the Government's policy objectives of introducing demand-side management measures to accord priority to the home ownership needs of HKPRs and to step up management on housing demand from buyers who have already owned residential properties. The refund mechanism is only applicable to cases where one residential property is acquired to replace the only and original residential property. As for the proposal to relax the six-month time limit for property replacement, please refer to response set out in paragraphs 7 and 8 above.

Impact of the new stamp duty on local residential property market

16. The number of residential property transactions involving local individuals and local company buyers is set out at **Annex B**. The respective number of primary and secondary residential property transactions for the period from 2010 to February 2017, with breakdown by value of property, is set out at **Annex C**.

17. It can be seen from **Annex C** that the number of secondary residential property transactions dropped from about 122 200 in 2010 to about 74 000 and 68 000 in 2011 and 2012 respectively, while the figures ranged from around

38 000 to 47 000 between 2013 and 2016. Just like the overall flat price and transaction volume, secondary residential property transaction volume is subject to influence of various factors, including property prices, supply of first-hand private residential properties, global and local economic outlook, the pace of United States interest rate normalisation, international liquidity, demand-side management measures introduced by the Government in response to the overheated property market (e.g. the introduction and enhancement of the Special Stamp Duty (SSD) in November 2010 and October 2012 respectively), etc. These measures, which aim to combat short-term speculative activities, have impacted on transaction volume of residential properties. We believe that local buyers with genuine home ownership needs will eventually benefit from these measures when most speculators, investors and non-local buyers are driven out of the property market.

Implementation of the new stamp duty

18. **Annex D** is a list of results of stamp duty appeal cases in relation to SSD, Buyer's Stamp Duty (BSD) and DSD filed with the District Court and the Court of Appeal. It is inappropriate for IRD to disclose details of individual cases, be they cases under judicial proceedings or cases where appeals were withdrawn by appellants / applications for late filing of appeal were refused by the court. As for cases where a court verdict has been delivered, detailed propositions of law presented by the parties to the legal proceedings and the reasons for the verdict, to which IRD has nothing to add, are already laid down in the court judgment.

19. The exemption arrangement for acquisition of residential properties on behalf of HKPRs who are minors or mentally incapacitated was discussed in detail during the LegCo's scrutiny of the 2013 Bill. Taking into account the fact that HKPR minors and mentally incapacitated persons do not have the capacity to enter into legally binding agreements, and their practical need to rely on another person to act on their behalf if they are to acquire a residential property, the Government has introduced the exemption arrangement under the AVD regime.

20. In practice, IRD will require a buyer or transferee who claims to be acting on behalf of a HKPR minor or mentally incapacitated person to provide relevant documentary evidence, e.g. birth certificate, an instrument to appoint a guardian pursuant to the Guardianship of Minors Ordinance, a valid and legally binding trust instrument, a court order or guardianship order pursuant to the

Mental Health Ordinance, etc., to prove their relationship and his/her capacity as a guardian/trustee in the transaction under consideration. IRD will consider each application, having regard to the relevant facts, documents provided and other supporting information in totality. Depending on the circumstances, IRD will also require the buyer or alleged beneficiary to submit documentary evidence (e.g. to prove the source of funds for purchasing the property) and other documents showing the identity of that buyer or alleged beneficiary in the relevant transaction to ascertain whether the alleged beneficiary is the beneficial owner of the property. Parent(s) / guardian(s) / trustee(s) is/are responsible for making a statutory declaration to confirm that the minor or mentally incapacitated person concerned is a HKPR and is not a beneficial owner of any other residential property in Hong Kong at the time of acquisition. Moreover, under the SDO, acquisition of a residential property by a HKPR minor through his/her trustee/guardian is subject to BSD of 15%. We believe that this will address possible abuse to a considerable extent.

Replacement property due to redevelopment

21. The number of applications for charging AVD at Scale 2 rates on the grounds of acquiring a replacement property is set out in the table below.

| Value of replacement property | Number of property transaction instruments presented for stamping from 25 July 2014 to November 2016 | Number of property transaction instruments presented for stamping from December 2016 to February 2017 |
|----------------------------------|--|---|
| Not exceeding \$2 million | – | – |
| Over \$2 million to \$3 million | 2 | 1 |
| Over \$3 million to \$4 million | 10 | – |
| Over \$4 million to \$6 million | 7 | – |
| Over \$6 million to \$20 million | 8 | – |
| Over \$20 million | 1 | – |
| Total | 28 | 1 |

Source: IRD

Note: The number of applications above includes replacement of non-residential properties.

22. During the LegCo's scrutiny of the 2013 Bill, the Government advised that the policy intent of the exemption arrangement was to cater for the replacement purchases of the affected owners who had been made to sell their original properties not of their own volition, and to facilitate the smooth rolling out of acquisitions under the specified scenarios which serve public purposes (including urban renewal). In the absence of an objective basis to determine the restrictions on the size or value of the replacement purchases, any restrictions thus imposed would be arbitrary and subject to challenge. After due consideration, the Government decided at that time that it would follow the BSD regime in taking a lenient approach, and would not impose any additional restrictions on the size or value of the replacement purchases to avoid posing unnecessary constraints to the affected owners. The Government has no intention to revise the exemption arrangement concerned.

Exemption for charitable institutions

23. According to section 41 of the SDO, the Central People's Government, the Government, any incorporated public officer or any person acting in his/her capacity as a public officer shall not be liable for the payment of stamp duty chargeable on any instrument. Section 43 of the SDO provides that where an exempted person (including any diplomatic agent or consular officer within the meaning of the Consular Relations Ordinance (Cap. 557)) or a person acting on behalf of an exempted person is a party to any instrument being a lease, agreement for a lease or conveyance on sale of exempted premises (including premises which are exempt from taxation under the Consular Relations Ordinance), the exempted person or any person acting on behalf of the exempted person shall not be liable for the payment of stamp duty chargeable on such instrument.

24. Charitable institutions (i.e. those exempted from tax under section 88 of the Inland Revenue Ordinance (Cap. 112)) are required to pay AVD at the new rate of 15% upon acquiring a residential property, but a property given to a charitable institution as a gift is exempted from AVD. This is in line with the existing arrangement under the AVD regime. Exempting charitable institutions from NRSD is inconsistent with the existing SDO and the policy intent of introducing demand-side management measures to accord priority to self-use

home-ownership needs of HKPRs. If charitable institutions are exempted from stamp duty in property transactions, other corporate entities (e.g. registered companies) may also request for exemption from stamp duty for the allegedly non-profit-making property transactions (e.g. acquiring residential properties for the provision of staff quarters). We consider that this will easily create loopholes for tax avoidance and undermine the effectiveness of demand-side management measures.

Implementation of the NRSD regime

25. Under section 29DH of the SDO, if AVD has been charged at Scale 2 rates on an agreement for sale and purchase or a conveyance on sale for a residential property (whether or not together with a car parking space) based on the buyer's or transferee's statutory declaration, and it is subsequently found that the declaration is incorrect, only the buyer or transferee under the instrument concerned is civilly liable to the Collector of Stamp Revenue for the payment of a specified amount (i.e. the difference between the AVD paid and the AVD calculated at Scale 1 rates).

26. According to Head 1(1) and Head 1(1A) in the First Schedule to the SDO, AVD is computed based on the consideration or value of the property. Therefore, regardless of the cash concessions provided by developers, the amount of NRSD payable will be computed based on the consideration of the property stated in the property transaction instrument or value of the property, whichever is the higher.

“Positive Vetting” approach

27. When the introduction of DSD was announced in 2013, the Government suggested that the value bands and duty rates of AVD be adjusted by way of “negative vetting” in future so that the measure could be promptly adjusted with certainty in response to market changes. However, taking into account the views expressed by LegCo Members during the scrutiny of the amendments, the Government subsequently did not insist on introducing the negative vetting approach for implementing adjustment in the 2013 Bill. In other words, any intended adjustments of AVD will have to be effected by way of a bill. Hence, the current NRSD measure introduced by the Government to raise the AVD chargeable on residential property transactions to a flat rate of 15% is also effected by way of a bill to amend the SDO. As AVD involves a number of scales (including the original Scale 1 and Scale 2 rates and the proposed new

rate of 15%), the Government has no intention to revise the adjustment mechanism at this point of time.

Clause 5 – Section 29AI and Clause 7 – Section 29BA of the Stamp Duty (Amendment) Bill 2017

28. If the value of the residential property is higher than that of the non-residential property, AVD chargeable on the instrument for the exchange of properties shall be computed based on the consideration paid or given by the person who transfers the non-residential property for equality at the rates prescribed in Part 1 of Scale 1 of the Stamp Duty (Amendment) Bill 2017 (the Bill) (i.e. the NRSD rate of 15%). On the other hand, if the value of the residential property is lower than that of the non-residential property, AVD chargeable on the instrument for the exchange of properties shall be computed based on the consideration paid or given by the person who transfers the residential property for equality at the rates prescribed in Part 2 of Scale 1 of the Bill (i.e. the DSD rates). There is no difference between exchange of residential property for non-residential property and exchange of non-residential property for residential property.

29. The proposed amended sections 29AI and 29BA of the Bill are drafted in a manner similar to the existing sections 29AI and 29BA of the SDO. To leave no uncertainty, the phrase “in any other case” is adopted in the proposed sections 29AI(b) and 29BA(b) to cover all the remaining instruments other than those concerning non-residential property (including those instruments concerning residential property). We note the views of the Legal Adviser of the Bills Committee, and will continue to listen to the views of the Bills Committee in this regard to see if amendments to the wording concerned are required for easier comprehension of the provisions by the public.

Transport and Housing Bureau
May 2017

**Residential property transactions
involving HKPR-buyers**

| | Number of transactions where buyers are not beneficial owners of any other residential property in Hong Kong at the time of acquisition |
|---------------|--|
| December 2016 | 2 817 |
| January 2017 | 3 342 |
| February 2017 | 3 620 |
| March 2017 | 6 591 |
| April 2017 | 6 189 |

Source: IRD

Note: The figures above reflect the position as at 30 April 2017.

Residential property transactions involving local buyers

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 (Jan and Feb) |
|--|---------------|---------------|---------------|---------------|---------------|-----------------------|
| Local individuals | | | | | | |
| Not exceeding \$2 million | 58 463 | 8 819 | 7 854 | 6 217 | 5 775 | 855 |
| Over \$2 million to \$3 million | 15 877 | 10 227 | 9 952 | 5 575 | 5 846 | 734 |
| Over \$3 million to \$4 million | 2 378 | 11 519 | 12 967 | 9 555 | 11 263 | 1 060 |
| Over \$4 million to \$6 million | 958 | 11 652 | 16 842 | 16 706 | 17 010 | 2 102 |
| Over \$6 million to \$20 million | 756 | 11 196 | 19 101 | 19 186 | 17 917 | 2 973 |
| Over \$20 million | 519 | 1 222 | 2 151 | 2 063 | 2 481 | 352 |
| Total | 78 951 | 54 635 | 68 867 | 59 302 | 60 292 | 8 076 |
| Percentage of total residential property transactions | 86.5% | 95% | 96.7% | 96.4% | 96.8% | 96.2% |
| Local companies | | | | | | |
| Not exceeding \$2 million | 3 451 | 180 | 84 | 71 | 34 | 5 |
| Over \$2 million to \$3 million | 2 107 | 273 | 79 | 82 | 34 | 6 |
| Over \$3 million to \$4 million | 893 | 289 | 81 | 197 | 56 | 4 |
| Over \$4 million to \$6 million | 490 | 403 | 161 | 118 | 234 | 68 |
| Over \$6 million to \$20 million | 513 | 455 | 533 | 646 | 382 | 70 |
| Over \$20 million | 640 | 115 | 166 | 159 | 133 | 18 |
| Total | 8 094 | 1 715 | 1 104 | 1 273 | 873 | 171 |
| Percentage of total residential property transactions | 8.9% | 3% | 1.6% | 2.1% | 1.4% | 2% |

Source: IRD

Note: Local individuals refer to Hong Kong identity card holders.

**Number of agreements for sale and purchase
of first-hand and second-hand residential units received by the Land Registry
(Breakdown by value of property)**

| Primary transactions | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Jan 2017 | Feb 2017 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------------|
| Less than \$2 million | 733 | 431 | 405 | 222 | 175 | 229 | 79 | 3 | 8 |
| \$2 million to less than \$3 million | 1 527 | 493 | 401 | 688 | 323 | 393 | 419 | 11 | 14 |
| \$3 million to less than \$4 million | 1 427 | 716 | 1 417 | 2 495 | 564 | 1 267 | 1 891 | 18 | 13 |
| \$4 million to less than \$6 million | 2 582 | 2 233 | 3 657 | 2 733 | 4 286 | 5 058 | 4 502 | 100 | 236 |
| \$6 million to less than \$20 million | 5 953 | 5 344 | 5 839 | 4 318 | 10 008 | 8 811 | 8 265 | 465 | 1 080 |
| \$20 million or above | 1 424 | 1 663 | 1 249 | 590 | 1 501 | 1 068 | 1 637 | 67 | 123 |
| Total | 13 646 | 10 880 | 12 968 | 11 046 | 16 857 | 16 826 | 16 793 | 664 | 1 474 |

Source: Land Registry

| Secondary transactions | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Jan 2017 | Feb 2017 |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------------|
| Less than \$2 million | 50 548 | 18 446 | 10 553 | 3 514 | 2 694 | 1 787 | 1 553 | 90 | 111 |
| \$2 million to less than \$3 million | 30 086 | 20 994 | 19 667 | 9 491 | 8 551 | 3 889 | 4 028 | 186 | 209 |
| \$3 million to less than \$4 million | 15 452 | 12 214 | 13 599 | 9 670 | 12 653 | 8 483 | 9 043 | 523 | 467 |
| \$4 million to less than \$6 million | 13 588 | 11 731 | 13 316 | 9 071 | 12 804 | 12 462 | 12 065 | 946 | 942 |
| \$6 million to less than \$20 million | 10 882 | 8 945 | 9 916 | 7 063 | 9 395 | 11 422 | 10 271 | 807 | 810 |
| \$20 million or above | 1 576 | 1 252 | 1 314 | 821 | 853 | 1 113 | 948 | 70 | 66 |
| Total | 122 132 | 73 582 | 68 365 | 39 630 | 46 950 | 39 156 | 37 908 | 2 622 | 2 605 |

Source: Land Registry

List of appeal cases in relation to SSD, BSD and DSD

| Grounds of appeal | Under judicial proceedings | Withdrawn by the appellant / application for filing of late appeal refused by the court | Court verdict delivered | Total |
|--|----------------------------|---|---|-------|
| Chargeability of instrument | | | | |
| 1. Whether a nomination is a chargeable instrument | 1 | 1 | - | 2 |
| Applicability of exemptions | | | | |
| 2. Whether the instrument is exempted if the property is acquired by a parent on behalf of a minor who is a HKPR | - | - | 1 (District Court case number: DCSA 19/2014) | 1 |
| 3. Whether the whole of the instrument is subject to lower stamp duty rates if residential property is acquired together with more than one car parking spaces | 5 | 1 | - | 6 |
| 4. Whether each of the transferors and transferees must be closely related for relevant exemptions for close relatives to be applicable | 1 | - | - | 1 |
| 5. Whether the relevant exemptions for close relatives are applicable to deed of family arrangement and assent in relation to distribution of estate | 1 | 1 | - | 2 |
| 6. Whether the instrument is exempted if the buyer acts as trustee thereunder | 12 | 4 | - | 16 |

| Grounds of appeal | Under judicial proceedings | Withdrawn by the appellant / application for filing of late appeal refused by the court | Court verdict delivered | Total |
|---|-----------------------------------|--|--|--------------|
| Applicability of partial refund of AVD in relation to replacement of residential properties | | | | |
| 7. Whether partial refund of AVD is allowed if the applicant owns more than one original properties | 2 | - | 1 (Court of Appeal case number: CACV 52/2016) | 3 |
| 8. Whether partial refund of AVD is allowed if the only original property is disposed of by two agreements | 1 | 2 | - | 3 |
| 9. Whether partial refund of AVD is allowed if the buyer is not a HKPR on the date of the acquisition of the new property | 1 | - | - | 1 |
| Others | | | | |
| 10. Whether partial refund of AVD inadvertently paid at Scale 1 rates is allowed on application beyond the statutory time limit | 1 | - | - | 1 |
| 11. Whether the date of conveyance on sale for Home Ownership Scheme flat of the Hong Kong Housing Authority should be taken as the date of acquisition | - | 1 | - | 1 |
| 12. Whether the date of transfer of property inherited from estate by close relative should be taken as the date of acquisition | - | 1 | - | 1 |
| Total | 25 | 11 | 2 | 38 |

Source: IRD

Note: The list above does not include appeal cases that are not concerned with provisions relating to SSD, BSD or DSD, e.g. those solely involve disputes over valuation of the property concerned.