

**Government's response to the questions raised by  
the Hon James TO on 18 May 2017**

This paper responds to the written questions raised by the Hon James TO on 18 May 2017 as set out in LC Paper No. CB(1)976/16-17(01).

Acquisition of multiple properties under a single instrument

2. The table below sets out the breakdown of residential property transactions by number of residential units acquired under a single instrument during the period from August 2016 to February 2017 where the buyer is a Hong Kong permanent resident 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. It should be noted that in accordance with Member's request, the breakdown in the table below only includes the number of residential units acquired under a single instrument, and excludes other properties (such as car parking space, roof and garden) acquired under the same instrument. For instance, transactions where a residential unit and a car parking space are acquired under a single instrument are not included in the table below.

Number of residential units acquired under a single instrument	<b>From August 2016 to November 2016</b> (after introduction of doubled ad valorem stamp duty but before introduction of New Residential Stamp Duty)	<b>From December 2016 to February 2017</b> (after introduction of New Residential Stamp Duty)
2 units	120	99
3 units	13	6
4 units	8	8
7 units	0	1
18 units	1	0

**Source: Inland Revenue Department (IRD)**

Note : During the period above, there were no transactions where 8 to 17 residential units or more than 18 residential units were acquired under a single instrument.

## Sections 41 and 43 of the Stamp Duty Ordinance (SDO)

3. Section 41 of the SDO provides that 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) 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.

4. Although sections 41 and 43 of the SDO provide that under specified circumstances, certain institutions or persons shall not be liable for the payment of stamp duty chargeable on relevant instruments, the provisions do not exempt the stamp duty chargeable on these instruments. In other words, if a prescribed institution or person acquires a residential property, the other party of the transaction will still be liable for the payment of stamp duty chargeable on the agreement for sale and purchase or conveyance on sale concerned. IRD processes the relevant stamping requests in accordance with the general procedure, and does not compile statistics on the number of property transactions involving institutions or persons as provided for under sections 41 and 43 of the SDO.

**Transport and Housing Bureau**  
**May 2017**