

**Bills Committee on Stamp Duty (Amendment) Bill 2017
and Stamp Duty (Amendment) (No. 2) Bill 2017**

**List of follow-up actions arising from the discussion in respect of
the Stamp Duty (Amendment) (No. 2) Bill 2017
at the meeting on 20 June 2017**

The Administration was requested to –

- (a) in relation to the court case of *Chi Fu Fa Yuen Ltd v Cho Wai Man Raymond* cited by a member, advise the Bills Committee on whether any mechanism would be in place under the New Residential Stamp Duty regime to deal with the situation where the Collector of Stamp Revenue's decision on the charging of the relevant ad valorem stamp duty ("AVD") for acquisition of a residential property was subsequently in contradiction with the judgement of the court case; and
- (b) clarify whether the following scenarios would be taken as a transaction involving a "single residential property" or "multiple residential properties" under a single instrument and would be subject to the AVD rates concerned –
 - (i) the acquisition of two adjoining residential properties located on the same floor, which were referred to as one unit under the relevant occupation permit ("OP"), with the internal wall between the two residential properties already demolished by the developer through variation of building plan;
 - (ii) the acquisition of two adjoining residential properties, which were referred to as one unit under both the relevant OP and deed of mutual covenant ("DMC"), with the internal wall between the two residential properties demolished according to the conditions set out in the proposed amended section 29A(1) of the Stamp Duty Ordinance (Cap.117) under clause 3 of the Stamp Duty (Amendment) (No. 2) Bill 2017 ("No. 2 Bill");
 - (iii) the acquisition of two adjoining residential properties, which were referred to as two separate units under both the relevant OP and DMC, with the internal wall between the two residential properties demolished according to the conditions set out in the proposed amended section 29A(1) under clause 3 of the No. 2 Bill; and

- (iv) a large-sized flat in an old residential building, which was referred to as one unit under the relevant OP, was converted into 4 sub-divided flats and sold to four different buyers under separate title deeds. A buyer subsequently acquired all of such four sub-divided flats under a single instrument and reinstated the four flats back to the one large-sized flat as originally stated in the relevant OP by demolishing the partition walls among these units.

Council Business Division 1
Legislative Council Secretariat
6 July 2017