



消費者委員會 CONSUMER COUNCIL
香港 • HONG KONG

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

來函檔號 YOUR REF.

本函檔號 OUR REF.

25 October 2017

By fax: 2978 7569

Clerk to Bills Committee
Bills Committee on Stamp Duty (Amendment) Bill 2017
and Stamp Duty (Amendment) (No.2) Bill 2017
Legislative Council
Legislative Council Complex
1 Legislative Council Road, Central, Hong Kong

立法會 CB(1)135/17-18(06)號文件
(只備英文本)
LC Paper No. CB(1)135/17-18(06)
(English version only)

Attn: Ms. Connie HO

Dear Ms. Ho,

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

Thank you for your letter dated 12 October 2017 inviting the Council's comments on the captioned Bills.

Please find attached views from the Council for consideration of the Bills Committee.

Yours sincerely,

Gilly WONG
Chief Executive
Consumer Council

Encl.

Consumer Council

Submission on Stamp Duty (Amendment) (No. 2) Bill 2017

1. The Consumer Council (the Council) is pleased to provide views to the Legislative Council Bills Committee regarding the Stamp Duty (Amendment) (No. 2) Bill 2017 (the No. 2 Bill).
2. The Council notes that the No. 2 Bill proposes to tighten the exemption arrangements for Hong Kong permanent residents under the Stamp Duty (Amendment) Bill 2017, preventing local buyers from exploiting the current legislation in a bid to avoid paying stamp duty under the New Residential Stamp Duty (NRSD) regime. The Council fully supports the introduction of this No. 2 Bill for this purpose.
3. Related to the NRSD but on a separate issue, the Council notes that under the NRSD, there is a mechanism to enable a purchaser acquiring a new residential property with the intention of disposing of his existing one to recoup a refund on the ad valorem duty as long as the disposal of the original property is within the statutory limit of six months.
4. The Council acknowledges the rationale behind this, but wishes to reiterate its concern previously set out in paragraphs 4 and 5 of the Council's 3 June 2013 submission on Stamp Duty (Amendment) Bill 2013 that a six-month time limit may not be sufficient for the purchaser of the new flat (the Purchaser) to achieve this swap. Under normal circumstances, it could take months from the listing of the property to finding a buyer. The completion of the property transaction and the subsequent arrangements for the move has then to be factored in. The fact that all these steps have to be lined up before a swap can occur means that the current 6 months' limit for the Purchaser will be tight. The Council advocates a slightly longer statutory time frame and hopes the Administration to reconsider extending this.

Consumer Council

25 October, 2017