

財經事務及庫務局

香港添馬添美道二號
政府總部二十四樓



LC Paper No. CB(1)174/2022(02)

FINANCIAL SERVICES AND
THE TREASURY BUREAU

24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

傳真號碼 Fax No. : (852) 2179 5848

電話號碼 Tel. No. : (852) 2810 2370

本函檔號 Our Ref. :

來函檔號 Your Ref. :

By Email (smwlo@legco.gov.hk)

31 March 2022

Legislative Council Secretariat
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Sharon LO)

Dear Ms LO,

**Panel on Financial Affairs
Meeting on 4 April 2022**

I refer to the letter from Hon Tony Tse dated 25 March 2022 on issues concerning the agenda item IV “Review of Rating System” (LC Paper No. CB(1)157/2022(01)). Please find the Government’s response at **Annex**.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Helen Chung', written in a cursive style.

(Miss Helen CHUNG)
for Secretary for Financial Services
and the Treasury

c.c. Commissioner of Rating and Valuation (Attn: Ms Wendy TANG)

Question 1

According to section 36(3) of the Rating Ordinance (Cap.116), the Director of Home Affairs is empowered under the delegated authority to exempt a village house outside the designated village area under section 36(1)(c) from payment of rates provided that the applicant must fulfil certain exemption conditions, including the condition that the village house concerned has to be occupied by an indigenous villager or his immediate family members for domestic purposes.

Under the existing mechanism, the Rating and Valuation Department will notify the Director of Home Affairs if it is aware that a village house granted exemption from payment of rates by the Director of Home Affairs under section 36(3) of the Rating Ordinance has been sold or assigned. The Director of Home Affairs will seek clarification from the person who has been granted the exemption on the latest status of the village house, and will cancel the exemption if the village house is no longer eligible for rates exemption.

Question 2

The Government has taken into account various factors including fairness of the mechanism and the affordability of the persons concerned when designing the proposed new rates concession mechanism for domestic properties. If persons applying for rates concession hold more than one domestic property, it has, to a certain extent, reflected their financial capacity. Accordingly, we propose that each eligible person can only apply for rates concession in respect of one domestic property, with a view to fully implementing a more targeted approach in providing rates concession, as well as to maintaining a simple rating system that is easy to administer.

Question 3

Under the proposed new rates concession mechanism, eligible co-owners can arrange for one of them to apply for rates concession in respect of a co-owned property. For approved cases, the amount of rates concession will, along existing practice, be reflected in the relevant demand notes in the form of an entire tenement. In addition, if one of the co-owners has applied for rates concession in respect of the co-owned domestic property under the proposed

mechanism, the other co-owner(s) can still apply for rates concession for his/her another domestic tenement so long as he/she fulfils the eligibility criteria.

Financial Services and the Treasury Bureau
March 2022