

For information

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**Revision of Statutory Fees under the
Land Registration Fees Regulations (Cap. 128B)**

PURPOSE

This paper briefs Members on the proposed revisions to the statutory fees for registration services provided by the Land Registry Trading Fund (“LRTF”) as set out in the Schedule to the Land Registration Fees Regulations (Cap. 128B) (“Regulations”) under the Land Registration Ordinance (Cap. 128) (“LRO”).

BACKGROUND

2. The Land Registry has been established as one of the Hong Kong’s trading fund departments under the Trading Funds Ordinance (Cap. 430) since August 1993. Operating on a self-financing basis, the LRTF is required to achieve a reasonable return on the fixed assets employed. In addition, in line with the “user pays” principle, it is the Government’s policy that fees charged by the trading funds should in general be set at levels adequate to recover the full costs of providing the services (including the cost of capital) on an overall basis.

3. Most of the statutory fees prescribed in the Regulations¹ have not been adjusted for almost 30 years² and are significantly under-recovered. Due to the under-recovery of registration costs and an overall decrease in business volume including registration of documents, property searches, etc., the LRTF incurred an operating loss in the financial year of 2023-24, with a negative rate of return on fixed assets of -10.5% (compared to 6%,

¹ The Regulations provides for 15 types of fees, among which seven types are registration fees and the remaining eight types are search fees.

² The levels of the fees were last revised in 1996 (L.N. 35 of 1996 and L.N. 145 of 1996), except for two types of search fees, which were last revised in 2005 (L.N. 193 of 2004).

the target return rate specified by the Financial Secretary). It is estimated that operating loss may continue and exacerbate in subsequent years due to rising operating expenditure. It is therefore considered an opportune time to review the LRO fees with a view to improving the cost recovery rate as well as being in tandem with the Government's announcement in the 2024-25 Budget to review various fees and charges in a timely manner.

THE PROPOSAL

4. Taking into consideration the cost recovery rate of each type of fee, as well as their contribution to the proportion of overall revenue under LRO, we propose to adjust the following five types of registration fees:

- (i) registration of instruments including assignment and mortgage;
- (ii) registration of agreement for sale and purchase ("S&P");
- (iii) registration of lease, agreement for a lease, or renewal or surrender of a lease;
- (iv) registration of other instruments; and
- (v) registration of instruments whereby any charge or mortgage on any share or interest in any property is assigned or transferred.

The overall cost recovery rate of these five types of registration fees without fee revisions would only be 55% at 2025-26 price level or 51% at 2027-28 price level, while they contributed to over 95% of the revenue generated from statutory registration services, accounting for around 31% of the overall revenue in 2023-24.

5. In order to gradually achieve full-cost recovery for the LRO operation and allow the affected parties to adapt to the impact of the fee revision progressively, we propose to increase the five types of registration fees by three phases, effective on 16 July 2025, 1 July 2026, and 1 July 2027 respectively:

- (a) increasing fee type (i) in paragraph 4 by around 15% in each phase; and
- (b) increasing fee types (ii) – (v) in paragraph 4 by around 35% in each phase.

Details of the proposed fee revisions are set out in **Annex**.

6. Among the five types of registration fees mentioned in paragraph 4 above, two of them are conveyancing related registration fees, i.e. types (i) and (ii). After the fee revisions, the registration fees for a typical property conveyancing transaction would be \$1,910, as compared to the current amount of registration fees of \$1,110³. The increase in fees is still considered reasonable, especially when the fees have not been adjusted for almost 30 years. The proposed increased fees are also limited in amount, when compared with other associated costs for a typical property conveyancing transaction such as stamp duty, fees for conveyancing solicitors and estate agents, which may sum into several hundred thousand dollars. Regarding the other three types of non-conveyancing related registration fees (i.e. types (iii), (iv) and (v)), the payers are primarily corporate clients and financial institutions. It is anticipated that the impact of the fee revisions will be manageable to them.

FINANCIAL IMPLICATION

7. It is estimated that the proposed fee revisions will bring along additional revenue of about \$23 million, \$63 million and \$111 million in the financial years of 2025-26, 2026-27 and 2027-28 respectively. After the full implementation of the above fee revisions in 2027-28, the overall LRO operation can achieve full cost recovery in 2027-28 (at 2027-28 price level).

PRODUCTIVITY / EFFICIENCY IMPROVEMENT MEASURES

8. The LRTF regularly reviews its day-to-day management and procedures, and controls its operating costs through implementing efficiency initiatives and streamlining procedures, including wider adoption

³ Currently, a typical property conveyancing process involves the registration of agreement for S&P (\$210), the registration of mortgage (\$450), and the registration of assignment (\$450), amounting to \$1,110 in total. After full implementation of the proposed fee revisions in 2027-28, these three registrations will cost \$510, \$700, and \$700 respectively, amounting to \$1,910 in total.

of automated functions, such as bulk upload of the property remarks with similar content for greater efficiency and auto-generation of standard letters to reduce manual efforts. The LRTF will continue to enhance efficiency and streamline work procedures so as to contain the operating costs, including implementing electronic lodgement of applications for registration.

WAY FORWARD

9. Members are invited to note the fee revisions proposal. We will proceed with the necessary legislative amendments and table the proposed subsidiary legislation at the Legislative Council for negative vetting in May 2025.

10. The above proposed fee revisions concern the existing deeds registration system under the LRO. As for the adoption of title registration to newly granted land (the amendment bill of which is being scrutinised by the Legislative Council), we will submit the proposed fee levels for Members' consideration after enactment of the amendment bill and associated subsidiary legislation.

Development Bureau
Land Registry
April 2025

**Proposed Revisions of Fees under the
Land Registration Fees Regulations (Cap. 128B)**

Type	Service Description	Existing Fee	2025-26 Proposed Fee - Phase 1 (Percentage increase)	2026-27 Proposed Fee - Phase 2 (Percentage increase)	2027-28 Proposed Fee - Phase 3 (Percentage increase)
(i)	Registration of instruments including assignment and mortgage (Property value <=\$750,000)	\$230	\$265 (+15%)	\$305 (+15%)	\$355 (+16%)
	Registration of instruments including assignment and mortgage (Property value >\$750,000)	\$450	\$520 (+16%)	\$605 (+16%)	\$700 (+16%)
(ii)	Registration of agreement for S&P	\$210	\$280 (+33%)	\$375 (+34%)	\$510 (+36%)
(iii)	Registration of lease, agreement for a lease, or renewal or surrender of a lease	\$210	\$280 (+33%)	\$375 (+34%)	\$510 (+36%)
(iv)	Registration of other instruments	\$210	\$280 (+33%)	\$375 (+34%)	\$510 (+36%)

Type	Service Description	Existing Fee	2025-26 Proposed Fee - Phase 1 (Percentage increase)	2026-27 Proposed Fee - Phase 2 (Percentage increase)	2027-28 Proposed Fee - Phase 3 (Percentage increase)
(v)	Registration of instruments whereby any charge or mortgage on any share or interest in any property is assigned or transferred	\$2,000	\$2,660 (+33%)	\$3,540 (+33%)	\$4,750 (+34%)