STAMPING PROCEDURES AND EXPLANATORY NOTES

Stamping of Shares Transfer

Contract Notes

Contract notes are required to be executed and stamped within a specified period (see para. 5 below) after any sale or purchase of Hong Kong stocks is effected. While there is no specified format of such instruments, the Stamp Duty Ordinance (Cap.117) requires that a contract note should contain the following particulars:-

a) whether the person effecting the sale or purchase of the Hong Kong stock is acting as principal or agent and, if as agent, the name of the principal;

b) the date of the transaction and of the making of the contract note;

c) the quantity and description of such Hong Kong stock;

d) the price per unit of such Hong Kong stock and the amount of the consideration or, in the case of an exchange, particulars of the property for which such Hong Kong stock is exchanged; and

e) the date of settlement.

2. Contract notes are stamped by reference to the price paid. If the price paid is considered substantially below the market value of the shares, stamp duty will be assessed based on the market value of the shares at the date of sale and purchase/transfer of the shares. For quoted shares, the last closing price of the stock in the Stock Exchange of Hong Kong will normally be accepted as the value of the share transferred for the purpose of calculating stamp duty. In the case of unquoted shares, the value of the stock has to be ascertained from the latest accounts of the company in respect of which share(s) therein is/are to be transferred. Other supplementary information may also be requested by the Stamp Office if so warranted.

3. Contract notes are NOT required in the case of transferring shares as a gift. In such a scenario, the instrument of transfer is chargeable to a fixed duty of $5 each plus the full ad valorem stamp duty by reference to the value of shares transferred in accordance with the basis stated in paragraph 2 above.

Supporting Documents Required

4. While stamp duty on transactions on quoted shares are usually collected through the Stock Exchange and the contract notes are made and stamped by the stock brokers with authorization from the Collector of Stamp Revenue, contract notes and instruments of transfer of unquoted shares should be presented to the Stamp Office for stamping. To enable the Stamp Office to assess the proper amount of stamp duty payable, the following documents and information should be submitted together with the transfer documents:-

(a) the Articles of Association of the company of which shares are being transferred;

(b) a certified true copy of the Agreement for Sale and Purchase of the shares if there is any, or otherwise, a confirmation by way of a letter signed by either the vendor or purchaser that no such an agreement exists;

(c) a statement on whether the Company and its subsidiary/(ies) (if any) has acquired any landed property, rights to acquire landed property or investments and, if so, with a completed schedule of the landed property in the proforma as attached;
(d) the following documents if the company involved has commenced business:-

- the latest audited accounts of the company and its subsidiary/(ies) (if no consolidated accounts is prepared);
- certified management accounts of the company and its subsidiary/(ies) (if no consolidated accounts is prepared) from the end date of the latest audited accounts made up to a date within 3 months before the date of transfer, if the audited accounts are not made up to a date within 6 months prior to the date of this transaction;
- a certified copy of the Return of Allotments for increase of share capital, if any, after the end date of the latest audited accounts;
- a certified copy of the resolution of meetings of directors for dividends paid or payable, if any, after the end date of the latest audited accounts and specify the date on which members of the company were entitled to the dividend; and
- any other information and documents, where necessary, in individual case.

(e) where the company is a recently incorporated one which has not yet commenced business and that no audited accounts have been prepared, a written confirmation supported by a copy of the certificate of incorporation of the company is required.

**Time for Stamping**

5. Stamp duty is payable within the following specified time:-

<table>
<thead>
<tr>
<th>Nature of Document</th>
<th>Time for Stamping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Note for sale or purchase of any Hong Kong stock</td>
<td>2 days after the sale or purchase, if effected in Hong Kong; 30 days after the sale or purchase, if effected elsewhere</td>
</tr>
<tr>
<td>Transfer operating as a voluntary disposition inter vivos (i.e. gift)</td>
<td>7 days after execution; 30 days after execution if executed outside Hong Kong</td>
</tr>
<tr>
<td>Transfer of any other kind</td>
<td>before execution; 30 days after execution if executed outside Hong Kong</td>
</tr>
</tbody>
</table>

[For the current rates of stamp duty, a separate information sheet is available from the Stamp Office.]

**Late Penalty**

6. Late stamping is subject to the payment of penalty as follows:-

<table>
<thead>
<tr>
<th>Stamping Delay</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>not exceeding 1 month</td>
<td>2 times the amount of stamp duty</td>
</tr>
<tr>
<td>exceeding 1 month but not exceeding 2 months</td>
<td>4 times the amount of stamp duty</td>
</tr>
<tr>
<td>in any other case</td>
<td>10 times the amount of stamp duty</td>
</tr>
</tbody>
</table>

Any request for remission of late penalty should be made in writing with full explanations of the delay and supporting evidence. The Collector may remit wholly or in part the penalty payable depending on individual circumstances.

**How to stamp and Enquiries**

7. The documents may be presented to the Stamp Office in person or sent by post. The service hours of the Stamp Office are as follows:-

   Monday to Friday       8:45 a.m. to 5:00 p.m. (No lunch break)

**STAMP OFFICE**

April 2017
U3/SOG/PN04A (4/2017)
[This form should be completed when applying for stamping of share transfers of private companies which own/have owned landed properties at the time of transfer or the latest audited accounting date.]

I. The company and its subsidiaries hold the following landed properties as at the cut-off date:

<table>
<thead>
<tr>
<th>Owner(s)</th>
<th>Property Address</th>
<th>Type of Property</th>
<th>Interest Held</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Lot No. Details)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note **

II. The company and/or its subsidiaries purchased and/or sold the following properties from the cut-off date to the date of share transfer:

<table>
<thead>
<tr>
<th>Owner(s)</th>
<th>Property Address</th>
<th>Type of Property</th>
<th>Interest Held</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Lot No. Details)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note **

Certified by Director/Manager/Accountant/Solicitor

IRSD102 (4/2012)
**註：**

(1) 列明物業的詳細地址，並在可能情況下，使用差餉物業估價署署長所編配的正式門牌號數。如屬新界的地盤或郊區物業，須提供約份和地段編號詳情，並請指出地盤所在和新批編號 (如知悉的話)。

(2) 收集個人資料聲明
- 你所提供的資料將用作本局執行稅務法例的有關事宜。
- 本局可能會把部分資料交給法例授權可接收的其他人士。
- 除了《個人資料(私隱)條例》規定的豁免範圍之外，你有權要求查閱及改正你的個人資料。
- 查閱及改正你的個人資料的要求應向印花稅署總監提出，其地址載於表格上，同時請註明你於本局的檔案號碼。

**Note:**

(1) Full address should be stated. Whenever possible, please use official building number(s) as allotted by the Commissioner of Rating and Valuation. For sites or rural properties in New Territories, D.D. and Lot No. details must be provided; please also specify the site area and New Grant No., if known.

(2) **Personal Information Collection Statement**
- The information provided by you will be used for purposes relating to the administration of tax laws in this Department.
- This Department may give some of the information to other parties authorized by law to receive it.
- Except where there is an exemption provided under the Personal Data (Privacy) Ordinance, you have the right to request access to and correction of your personal data.
- A request for access to and correction of your personal data should be addressed to the Superintendent of Stamp Office, whose address is shown on the form. Please also quote your file number in this Department.