

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)037

(Question Serial No. 1163)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

A) Please provide the details of the ad valorem stamp duty (AVD) collected in the past 3 years in the table below:

2017-18			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$8,000,000			
\$8,000,001 to \$10,000,000			
\$10,000,001 to \$20,000,000			
\$20,000,001 to \$30,000,000			
\$30,000,001 to \$50,000,000			
\$50,000,001 to \$100,000,000			
Above \$100,000,000			

2018-19			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			

\$6,000,001 to \$8,000,000			
\$8,000,001 to \$10,000,000			
\$10,000,001 to \$20,000,000			
\$20,000,001 to \$30,000,000			
\$30,000,001 to \$50,000,000			
\$50,000,001 to \$100,000,000			
Above \$100,000,000			

2019-20			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$8,000,000			
\$8,000,001 to \$10,000,000			
\$10,000,001 to \$20,000,000			
\$20,000,001 to \$30,000,000			
\$30,000,001 to \$50,000,000			
\$50,000,001 to \$100,000,000			
Above \$100,000,000			

B) Please provide the information regarding the levy of AVD under Scale 1 and Scale 2 respectively after the introduction of the “double stamp duty” in the table below:

2016-17				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2017-18 (From April 2017 to 18 January 2018)				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2017-18 (From 19 January 2018 to 31 March 2018)				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2018-19				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2019-20				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.:21)

Reply:

A) Details on the ad valorem stamp duty (AVD) collected by Inland Revenue Department (IRD) in the past 3 financial years are set out as follows:

2017-18			
Consideration or value of the property (\$)	No. of cases (Notes 1 & 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	20 588	12,765	1.09%
2,000,001 to 3,000,000	8 721	59,018	2.27%
3,000,001 to 4,000,000	10 118	103,158	2.87%
4,000,001 to 6,000,000	21 311	174,320	3.49%
6,000,001 to 8,000,000	12 277	309,654	4.42%
8,000,001 to 10,000,000	8 255	421,379	4.73%
10,000,001 to 20,000,000	11 366	711,489	5.21%
20,000,001 to 30,000,000	2 825	1,499,555	6.22%
30,000,001 to 50,000,000	1 774	2,419,317	6.37%
50,000,001 to 100,000,000	814	4,602,271	6.82%
100,000,001 or above	318	26,085,815	7.68%

2018-19			
Consideration or value of the property (\$)	No. of cases (Notes 1 & 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	16 726	15,167	1.25%
2,000,001 to 3,000,000	6 653	66,328	2.57%
3,000,001 to 4,000,000	7 162	117,475	3.24%
4,000,001 to 6,000,000	19 303	191,793	3.73%
6,000,001 to 8,000,000	12 259	336,221	4.79%
8,000,001 to 10,000,000	8 129	483,007	5.41%
10,000,001 to 20,000,000	10 456	809,304	5.93%
20,000,001 to 30,000,000	2 292	1,679,527	6.93%
30,000,001 to 50,000,000	1 523	2,724,283	7.20%
50,000,001 to 100,000,000	718	5,245,423	7.71%
100,000,001 or above	339	21,854,433	8.48%

2019-20 (As at 29 February 2020)			
Consideration or value of the property (\$)	No. of cases (Notes 1 & 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	10 613	13,816	1.15%
2,000,001 to 3,000,000	5 025	62,353	2.37%
3,000,001 to 4,000,000	5 338	111,834	3.08%
4,000,001 to 6,000,000	17 483	180,709	3.50%
6,000,001 to 8,000,000	11 758	311,682	4.47%
8,000,001 to 10,000,000	8 024	421,220	4.72%
10,000,001 to 20,000,000	8 095	728,951	5.45%
20,000,001 to 30,000,000	1 390	1,588,358	6.48%
30,000,001 to 50,000,000	1 075	2,607,177	6.82%
50,000,001 to 100,000,000	501	4,678,011	7.04%
100,000,001 or above	181	18,397,539	7.93%

Note 1 : Each instrument stamped is counted as one separate case.

Note 2 : The analysis is based on AVD collected at the time of initial stamping, which represents the stated consideration in the instrument. The amount involved does not include any subsequent adjustment such as payment arising from further stamping (in case the stated consideration is below the market value of the property), refund (because of cancellation of the property transaction), or partial refund (for change of residential properties, or acquisitions of properties for redevelopment).

Note 3 : The figures computed do not include the stamp duty paid on deeds of gift which do not have "stated consideration".

B) The Stamp Duty (Amendment) Ordinance 2018 was gazetted on 19 January 2018. Under the aforesaid Ordinance, Scale 1 rates are divided into Part 1 (a flat rate of 15%) and Part 2 (original Scale 1 rates) with effect from 5 November 2016. Unless otherwise specified in the Stamp Duty Ordinance, rate at Part 1 of Scale 1 applies to instruments of residential property while rates at Part 2 of Scale 1 apply to instruments of non-residential property.

The number of cases chargeable to Scale 1 and Scale 2 rates and the average amount of AVD collected in the past 3 financial years are set out below:

2017-18 (from April 2017 to 18 January 2018)				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. "double stamp duty" rate)		Transactions charged at Scale 2 rates	
	No. of transactions (Notes 1 & 4)	Average amount of AVD levied (\$) (Notes 2 & 4)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	13 268	16,025	4 078	175
2,000,001 to 3,000,000	3 526	75,755	3 853	37,706
3,000,001 to 4,000,000	2 246	153,799	6 285	79,537
4,000,001 to 6,000,000	2 529	299,647	14 825	146,682
6,000,001 to 8,000,000	1 894	517,792	8 326	254,998
8,000,001 to 10,000,000	1 471	682,983	5 314	333,468
10,000,001 to 20,000,000	3 117	1,061,377	6 344	507,994
20,000,001 to 30,000,000	955	2,067,800	1 369	1,008,337
30,000,001 to 50,000,000	676	3,273,945	836	1,601,486
50,000,001 to 100,000,000	336	5,851,436	334	2,820,634
100,000,001 or above	181	37,181,924	88	9,115,775

2017-18 (from 19 January 2018 to 31 March 2018)				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	2 620	18,837	622	214
2,000,001 to 3,000,000	641	118,013	701	38,024
3,000,001 to 4,000,000	412	251,840	1 175	80,574
4,000,001 to 6,000,000	530	522,697	3 427	147,514
6,000,001 to 8,000,000	306	811,003	1 751	256,797
8,000,001 to 10,000,000	280	1,088,524	1 190	333,597
10,000,001 to 20,000,000	493	1,706,522	1 412	505,981
20,000,001 to 30,000,000	193	2,949,492	308	1,012,431
30,000,001 to 50,000,000	112	4,415,693	150	1,635,203
50,000,001 to 100,000,000	96	7,257,091	48	2,945,707
100,000,001 or above	32	19,177,138	17	8,794,375

2018-19				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	12 921	19,594	3 805	132
2,000,001 to 3,000,000	3 379	93,862	3 274	37,912
3,000,001 to 4,000,000	2 250	196,738	4 912	81,168
4,000,001 to 6,000,000	2 466	457,523	16 837	152,873
6,000,001 to 8,000,000	1 867	779,115	10 392	256,652
8,000,001 to 10,000,000	1 572	1,103,457	6 557	334,258
10,000,001 to 20,000,000	2 742	1,658,290	7 714	507,526
20,000,001 to 30,000,000	794	2,937,715	1 498	1,012,637
30,000,001 to 50,000,000	601	4,453,050	922	1,597,398
50,000,001 to 100,000,000	347	7,825,983	371	2,831,799
100,000,001 or above	191	32,220,741	148	8,476,291

2019-20 (As at 29 February 2020)				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	7 440	19,664	3 173	103
2,000,001 to 3,000,000	2 252	91,554	2 773	38,638
3,000,001 to 4,000,000	1 472	191,693	3 866	81,428
4,000,001 to 6,000,000	1 610	452,418	15 873	153,150
6,000,001 to 8,000,000	1 176	836,300	10 582	253,380
8,000,001 to 10,000,000	908	1,101,040	7 116	334,475
10,000,001 to 20,000,000	1 612	1,655,990	6 483	498,443
20,000,001 to 30,000,000	431	2,843,385	959	1,024,316
30,000,001 to 50,000,000	365	4,521,376	710	1,623,116
50,000,001 to 100,000,000	194	7,677,654	307	2,782,471
100,000,001 or above	89	28,117,678	92	8,994,361

Note 1: Each instrument stamped is counted as one separate case.

Note 2: The analysis is based on AVD collected at the time of initial stamping, which represents the stated consideration in the instrument. The amount involved does not include any subsequent adjustment such as payment arising from further stamping (in case the stated consideration is below the market value of the property), refund (because of cancellation of the property transaction), or

partial refund (for change of residential properties, or acquisitions of properties for redevelopment).

- Note 3: The transactions include some cases where residential property and non-residential property were acquired under a single instrument. The relevant instrument concerned was partly charged with stamp duty at Scale 2 rates in respect of the residential property and partly at Scale 1 rates in respect of the non-residential property. These cases are classified as “transactions charged with stamp duty at Scale 2 rates”.
- Note 4: The Government introduced a new residential stamp duty (NRSD) on 4 November 2016 to increase the AVD rate for residential property transactions to a flat rate of 15% with effect from 5 November 2016. The aforesaid Ordinance was gazetted on 19 January 2018. For instruments of residential properties executed during the transitional period from 5 November 2016 to 18 January 2018, and have already been stamped before 19 January 2018, additional stamp duty (the difference between AVD calculated at NRSD and the original Scale 1 rates) is required to be paid on or before 20 February 2018. The number of cases shown for 5 November 2016 to 18 January 2018 includes cases which are subject to NRSD. The amounts of stamp duty levied as shown in the table only reflect AVD collected at the prevailing Scale 1 rates (i.e. original Scale 1 rates but not NRSD at 15%).
- Note 5: Residential Property – Part 1 of Scale 1 rate at 15%, Non-Residential Property – original Scale 1 rates.

- End -