

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)137**

**(Question Serial No. 6655)**

Head: (76) Inland Revenue Department  
Subhead (No. & title): ()  
Programme: ()  
Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)  
Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Please set out the numbers of residential unit transactions carried out through “the transfer of shares in property holding companies” in the past 5 years.
2. What measures are currently taken by the relevant department to ensure that the above residential unit transactions which are carried out through “the transfer of shares in property holding companies” are registered in the Government’s property transaction records? What are the administrative costs and manpower expenses involved in implementing such measures?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2048)

Reply:

1. Under the Stamp Duty Ordinance, transfers of Hong Kong shares have to be stamped and the amount of stamp duty chargeable on the transfer instrument is based on the consideration of the shares transferred. The Stamp Office does not collate statistics for each stamping request for transfer of shares in a property holding company.
2. For the purpose of identifying speculation of properties through transfer of company shares, the Stamp Office, in the course of processing stamping requests, will screen out cases in which properties constitute the principal asset of a company and refer the case to the Profits Tax Unit for follow up actions, so as to determine whether the share transfer amounts to a trading activity and is subject to profits tax.

Processing stamping requests for transfer of shares is part of the daily work of the Stamp Office and no provision is specifically made for this area of work.

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