



**INLAND REVENUE DEPARTMENT, STAMP OFFICE**

3/F. Revenue Tower,

5 Gloucester Road, Wan Chai Hong Kong

**STAMPING PROCEDURES AND EXPLANATORY NOTES**

**Remission of Stamp Duty on  
Delivery of Hong Kong Stocks as Consideration  
for allotment or redemption of Collective Investment Products**

**Backgrounds**

Pursuant to the Remission by Class given by the Secretary for the Treasury on 20 October 1999 (the Remission by Class), stamp duty payable on the contract notes and the instruments of transfer executed in respect of the delivery of Hong Kong stocks by an investor to an Approved Collective Investment Scheme as consideration for an allotment of units or redeemable shares in the Scheme, or by the Approved Collective Investment Scheme to the investors upon redemption of such Units or Redeemable Shares are remitted under section 52 of the Stamp Duty Ordinance (Cap. 117) (the Ordinance). The following sets out the procedures of stamping the relevant documents for the purposes of this remission.

**Contract Notes to be Executed**

2. The delivery of Hong Kong stocks in consideration for an allotment of or a redemption of Units or Redeemable Shares in an Approved Collective Investment Scheme is a sale and purchase of the stocks so delivered. Contract notes are therefore required to be executed by the transferor and the transferee under section 19(1) of the Ordinance. In addition to the particulars as laid down in section 19(2) of the Ordinance the contract note to which a remission of stamp duty is claimed under paragraph (a) of the Remission by Class should bear sufficient indication showing that the transaction of sale and purchase of Hong Kong stocks in question is in respect of an allotment of or redemption of Units or Redeemable Shares in an Approved Collective Investment Scheme within the meaning of the Remission by Class. A sample of a contract note in respect of a transaction on which the remission is claimed at the **Appendix**.

### **Instruments of Transfer**

3. In the case where an instrument of transfer is executed to effect the transfer of the Hong Kong stocks which is qualified for this remission, the instrument of transfer should be produced for stamping together with the related contract notes. The instrument of transfer should bear a statement denoting that the transfer is in respect of an allotment or a redemption of Units or Redeemable Shares in an Approved Collective Investment Scheme.

### **Application for Remission**

4. In order to obtain the remission of stamp duty under the Remission by Class, the Approved Collective Investment Scheme (or its trustee or manager in the case of an unit trust scheme) should, at or before the first time when remission of stamp duty on contract notes and/or instruments of transfer in respect of a qualified transaction is claimed, produce evidence to the Stamp Office to show that the Scheme in question satisfies the definition of an Approved Collective Investment Scheme under the Remission by Class. Such evidence may include a copy, certified by the Approved Collective Investment Scheme, of the written authorization issued by the Securities and Futures Commission under section 104 of the Securities and Futures Ordinance (Cap. 571) (formerly section 15 of the Securities Ordinance (Cap. 333)). After satisfying that remission is due, the Collector of Stamp Revenue will confirm in writing and will advise the Approved Collective Investment Scheme of a Remission Reference. Any subsequent request for remission and stamping of contract notes and instruments of transfer in relation to the Scheme can then be processed speedily if the Remission Reference is quoted on the respective documents.

### **Stamping of Instruments**

6. Contract notes and instruments of transfer which are claimed to be qualified for the remission of stamp duty under the Remission by Class should be forwarded to Counter No. 18 of the Stamp Office on 3/F, Revenue Tower, 5 Gloucester Road, Hong Kong for stamping. Under the Ordinance, the documents have to be stamped within **2 days** after the day of transactions. The Stamp Office, however appreciates that there will be difficulties to ensure the settlement of the stocks in question on the second day after the day of transaction, it will accept submission for stamping of the instruments to which the



## **Enquiry**

9. Any enquiry as to the application for remission or the stamping of the relevant instruments in this regard can be directed to the Superintendent of Stamp Office (General) at telephone number 2594 3163.

**STAMP OFFICE**

**December 2013**

**Ref: U3/SOG/PN01(12/2013)**

<b>SAMPLE</b>
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**Contract (Bought and Sold) Notes  
for Sale and Purchase of Hong Kong Stocks  
In respect of an allotment or redemption of Collective Investment Product**

<b>Date of Sale and Purchase :</b>	
<b>Stock Name :</b>	[May refer to an attached schedule if more than one stock is delivered.]
<b>Number of stock sold or purchased :</b>	[May refer to an attached schedule if more than one stock is delivered.]
<b>Consideration :</b>	For allotment of [            ] units (shares)/ For redemption of [            ] units (shares) in the Collective Investment Products specified below
<b>Name of the Collective Investment Product Alloted or Redeemed :</b>	[e.g. TraHK Fund Units]
<b>Remission Reference of the Collective Investment Product, if any</b>	[e.g.SDR-12345] [If Remission Reference is not available, submit a certified copy of authorization issued by the Securities and Futures Commission.]

**Executed by :**

**Seller –**

**Signature :** \_\_\_\_\_

**Name :** \_\_\_\_\_

**Date :** \_\_\_\_\_

**Buyer –**

**Signature :** \_\_\_\_\_

**Name :** \_\_\_\_\_

**Date :** \_\_\_\_\_

**Approval by Class**

**Remission or Refund of Stamp Duty Under  
Section 52 of the Stamp Duty Ordinance (Cap.117)**

**Sale and Purchase and Transfer of Hong Kong Stocks upon  
Allotment and Redemption of Collective Investment Products**

I, Denise YUE, Secretary for the Treasury, by virtue of the power conferred on me in that behalf by section 63 of the Interpretation and General Clauses Ordinance (Cap.1), do hereby approve the remission or refund of stamp duty under section 52(1) of the Stamp Duty Ordinance (Cap. 117) [the Ordinance] for the following classes of instruments –

- (a) contract notes for the sale or purchase of any Hong Kong stock pursuant to an allotment or a redemption by extinguishment or cancellation of units or of redeemable shares in an Approved Collective Investment Scheme, which notes are required to be stamped under head 2(1) in the First Schedule to the Ordinance and,
- (b) instrument of transfer in respect of the transfer of any Hong Kong stock to or from an Approved Collective Investment Scheme (or in the case of a unit trust scheme, the manager or trustee thereof) pursuant to an allotment or a redemption by extinguishment or cancellation of units or of redeemable shares in such scheme (other than that in respect of the transfer of the kind referred to in section 30 of the Ordinance), which are required to be stamped under head 2(4) in the First Schedule to the Ordinance.

For the purpose of this remission, unless the context otherwise requires –

“Approved Collective Investment Scheme” means a unit trust scheme or a mutual fund corporation authorized by the Securities and Futures Commission under section 15 of the Securities Ordinance (Cap. 333)

“allotment” means –

- (a) in relation to a mutual fund corporation, the issue of redeemable shares by such corporation; or
- (b) in relation to units under a unit trust scheme, the issue of such units, and includes a sale of the units effected by the managers under the circumstances referred to in section 19(1A)(b)(ii) of the Ordinance.

“mutual fund corporation” has the meaning assigned to it in section 2 of the Securities Ordinance (Cap.333)

“redeemable shares” means shares issued by a company which are to be redeemed or are liable to be redeemed at the option of the company or its shareholder under section 49(1) of the Companies Ordinance (Cap. 32) or under any other similar enactment in its place of incorporation if the company is not incorporated under the Companies Ordinance.

“contract note”, “Hong Kong stock”, “Unified Exchange”, “unit”, “unit trust scheme”, “sale or purchase” and “stamped” have the meanings respectively assigned to them in section 2, section 19 and section 30 of the Ordinance.

This remission is subject to any time to amendment or revocation.

Denise YUE  
Secretary for the Treasury  
20 October 1999