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**To: Stamp Office Customers**

**STAMP OFFICE**  
**Stamping Circular No. 02/2018**  
**Stamping of instruments of immovable properties after the gazettal date of the**  
**Stamp Duty (Amendment) Ordinance 2018**

The Stamp Duty (Amendment) Ordinance 2018 (“the Amendment Ordinance”) was published in the Gazette on 19 January 2018 (“Date of Gazettal”). The Amendment Ordinance introduces a new flat rate of 15% (“NRSD”) (i.e. the rate under Part 1 of Scale 1 of Head 1(1) and Head 1(1A) in the First Schedule to the Stamp Duty Ordinance (“the Ordinance”)) on certain instruments dealing with residential property executed on or after 5 November 2016 (“Effective Date”) in lieu of the then prevailing ad valorem stamp duty (“AVD”) at Scale 1 rates (i.e. the rates under the new Part 2 of Scale 1 of Head 1(1) and Head 1(1A) in the First Schedule to the Ordinance). For Hong Kong permanent residents who change their residential property and wish to claim partial refund of the AVD paid in respect of the new property acquired on or after the Effective Date, the Amendment Ordinance also extends the time limit for the disposal of the original property from within 6 months to within 12 months after the date of conveyance of the new property.

2. The following paragraphs set out the arrangements for stamping AVD regarding the instruments of immovable properties on or after the Date of Gazettal.

**For Electronic Stamping Applications**

***Instruments involving residential property only***

3. An applicant may submit an electronic stamping application for a chargeable agreement for sale or a conveyance on sale involving residential property only if -

- (a) the instrument is chargeable with AVD at Scale 2 rates for the reason that the purchaser, or each of the purchasers, is a Hong Kong permanent resident (“HKPR”) acting on his or her own behalf in acquiring the residential property concerned<sup>1</sup>; and that purchaser, or each of those purchasers, is not a beneficial owner of any other

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<sup>1</sup> The legislative proposal under the Stamp Duty (Amendment) (No. 2) Bill 2017 has not yet come into effect. In other words, for the time being, no distinction is to be made for the stamping of instruments which deal with multiple residential properties, with or without car parking space(s), until the enactment of the relevant amendment ordinance.

residential property in Hong Kong on the date of acquisition of the property concerned; or

- (b) the whole instrument is chargeable with AVD at NRSD rate;

AND,

the instrument is not chargeable with buyer's stamp duty ("BSD") for the reason that the purchaser (or each of the purchasers) is a HKPR acting on his or her own behalf in acquiring the residential property concerned, and special stamp duty ("SSD")<sup>2</sup>.

4. Original statutory declaration to support the claim of charging AVD at Scale 2 rates and/or exemption of BSD (IRSD131) made by the purchaser or each of the purchasers and a copy of the stamp certificate in respect of the subject transaction must be submitted to the Stamp Office **within 30 days** after the date on which the relevant electronic stamping application is completed.

***Instruments involving non-residential property only***

5. An applicant may submit an electronic stamping application for a chargeable agreement for sale or a conveyance on sale involving non-residential property only if the instrument is chargeable with AVD at Part 2 of Scale 1 rates.

***Instruments involving residential property and non-residential property***

**Instrument wholly chargeable with AVD at Scale 2 rates**

6. An applicant may submit an electronic stamping application for a chargeable agreement for sale or a conveyance on sale of residential property, together with a car parking space if the instrument is chargeable with AVD at Scale 2 rates for the reason that the purchaser, or each of the purchasers (if more than one purchaser), is a HKPR acting on his or her own behalf in acquiring the residential property and the car parking space concerned; and that purchaser, or each of those purchasers, is not a beneficial owner of any other residential property and car parking space in Hong Kong on the date of acquisition of the properties concerned. The documents to support claim of charging AVD at Scale 2 rates regarding the acquisition of the residential property together with the car parking space as required in paragraph 4 above have to be submitted accordingly.

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<sup>2</sup> Only paper application is applicable to the following cases:

- Cases chargeable with BSD;
- Cases chargeable with SSD;
- BSD exempted cases not otherwise because the purchaser is a HKPR acting on his or her own behalf in acquiring the residential property concerned; or
- SSD exempted cases for the reasons other than that the holding period is more than 24 months (for property acquired between 20 November 2010 and 26 October 2012) or 36 months (for property acquired on or after 27 October 2012)

## **For Paper Applications**

### Instrument chargeable with AVD partly at Scale 2 rates and partly at Part 2 of Scale 1 rates

7. For an instrument which is chargeable with AVD partly at Scale 2 rates and partly at Part 2 of Scale 1 rates, for example, the instrument covers both residential property and non-residential property including car parking spaces which are separate and distinct properties, and only the acquisition of the residential property is subject to Scale 2 rates, the stamping of the concerned instrument must be made by way of conventional stamping under adjudication. The documents to support claim of charging AVD at Scale 2 rates regarding the acquisition of the residential property alone as required in paragraph 4 above have to be submitted accordingly.

8. The applicant has to state the respective amount of considerations of the residential property and the non-residential property in the chargeable instruments and/or the stamping applications. If such amounts are not separately shown, justifiable reasons have to be provided. The chargeable instruments will be treated as instruments of residential property first and AVD computed at Scale 2 rates has to be paid upfront when submitting the instruments for stamping. The Collector of Stamp Revenue (“the Collector”) will, based on the valuation of the Commissioner of Rating and Valuation (“CRV”), demand further AVD payable on the instruments for any shortfall of stamp duty payable on the non-residential property.

### Instrument chargeable with AVD partly at NRSD rate and partly at Part 2 of Scale 1 rates

9. For an instrument which is chargeable with AVD partly at NRSD rate and partly at Part 2 of Scale 1 rates, for example, the instrument covers both residential property and non-residential property including car parking spaces which are separate and distinct properties, and only the acquisition of the residential property is subject to NRSD rate, the stamping of the instrument concerned must also be made by way of conventional stamping under adjudication.

10. If the respective considerations for the residential property and the non-residential property as required in paragraph 8 above are not separately shown, the chargeable instruments will be treated as instruments of residential property first and AVD computed at NRSD rate has to be paid upfront when submitting the instruments for stamping. The Collector will, based on the valuation of CRV, repay the excessive stamp duty in respect of the acquisition of the non-residential property.

11. To support the initial stamping application of a chargeable instrument in paper form, an applicant is required to submit (i) a duly completed stamping request form (IRSD112); and (ii) separate cheques for payments of AVD, SSD and BSD, where applicable.

12. In respect of residential property transactions, any claim of charging AVD at Scale 2 rates and/or exemption of BSD for the reasons stated in paragraph 3(a) above, original statutory declaration to support the claim for charging AVD at Scale 2 rates and/or exemption of BSD (IRSD131) made by each purchaser must be submitted to the Stamp Office together with the stamping application. As for the claim for charging AVD at Scale 2 rates and/or exemption of BSD for other reasons, as well as the claim for exemption of SSD, if applicable, the applicant is required to submit the original statutory declaration (IRSD131), a duly completed form IRSD118, and other relevant documentary evidence as is required together with the stamping application.

13. In respect of any claim for charging AVD at Scale 2 rates on a chargeable agreement for sale or a conveyance on sale of non-residential property, the applicant is required to submit a duly completed form IRSD118 and other relevant documentary evidence together with the stamping application.

14. The time for stamping shall be within 30 days after the date on which the instrument is executed. The stamped instrument or stamp certificate will be ready for collection within 5 working days after receipt of the application.

15. For any enquiries, please call us at 2594 3202.

*Stamp Office  
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