



To: Stamp Office Customers

STAMPOFFICE
Stamping Circular No. 02/2019

**Stamp Duty Exemption on Delivery of Hong Kong Stocks as
Consideration for the Allotment or Redemption of a Share or
Unit of an Authorized Open-ended Collective Investment Scheme**

The Securities and Futures (Amendment) Ordinance 2016 (“the Amendment Ordinance”) comes into operation on **30 July 2018** (“Relevant Date”). The Amendment Ordinance seeks, among others, to amend the Stamp Duty Ordinance (Cap. 117) (“SDO”) to provide for exemption from stamp duty for the sale and purchase of Hong Kong stocks in consideration of the allotment or redemption of shares or units of an authorized open-ended collective investment scheme. Authorized open-ended collective investment scheme (“the Scheme”) means an open-ended collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Cap. 571). Open-ended collective investment scheme, which in turn means a collective investment scheme the shares or units of which may be repurchased or redeemed at the request of any of its shareholders or unit holders—

- (a) at a price calculated wholly or mainly by reference to the net asset value of the scheme; and
- (b) in accordance with the frequency for repurchase or redemption, requirements and procedures set out in the offering document or constitutive documents of the scheme.

2. The stamp duty exemption took effect on the Relevant Date. On or after the Relevant Date, the making and execution of a contract note for the allotment or redemption of a share or unit of the Scheme for stamping is not required and the instrument of transfer effected for such purpose is also not required to be stamped or endorsed under the SDO provided the value of the

Hong Kong stock is proportionate to the value of the share or unit. The allotment or redemption is considered to be proportionate if the value of the Hong Kong stock sold or purchased is equivalent to the asset value of the Scheme which the allotted or redeemed share or unit represents as at the date of allotment and redemption.

3. For any enquiries, please call us at 2594 3201.

Stamp Office
January 2019