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To: *Stamp Office Customers*

STAMP OFFICE
Stamping Circular No. 05/2014
**Stamping of instruments of immovable properties after the gazettal
date of the Stamp Duty (Amendment) (No. 2) Ordinance 2014**

This circular announces that the Stamp Duty (Amendment) (No. 2) Ordinance 2014 (“the Amendment Ordinance”) was published in the gazette on 25 July 2014 (“Date of Gazettal”). The Amendment Ordinance increases the ad valorem stamp duty (“AVD”) rates on certain instruments dealing with immovable property executed on or after 23 February 2013 (“Effective Date”); and advances the timing for charging of AVD on non-residential property transactions from the conveyance on sale to the agreement for sale executed on or after the Effective Date.

2. The following paragraphs set out the arrangements for stamping and application of charging AVD at lower rates (Scale 2) regarding the instruments of immovable properties executed on or after the Date of Gazettal.

For Electronic Stamping Applications

Residential property and car parking space transactions

3. An applicant may submit an electronic stamping application for a chargeable agreement for sale of residential property if the instrument is not chargeable with buyer’s stamp duty (“BSD”) for the reason that the buyer is a Hong Kong permanent resident (“HKPR”) acting on his or her own behalf in acquiring the residential property concerned and special stamp duty (“SSD”); and

- (a) the instrument is chargeable with AVD at higher rates (Scale 1); or
- (b) the instrument is chargeable with AVD at Scale 2 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 [and a car parking space, if applicable] concerned; and that purchaser, or each of those purchasers, is not a beneficial owner of any other residential property [and not a beneficial owner of any other car parking space, if

applicable] in Hong Kong on the date of acquisition of the property concerned.

4. Original statutory declaration to support claim of charging AVD at Scale 2 and/or exemption of BSD (IRSD131(E)) 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 submitted.

5. For an instrument which is chargeable with AVD partly at Scale 1 and partly at Scale 2, 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, 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 regarding the acquisition of the residential property as required in paragraph 4 above have to be submitted.

6. For instruments chargeable with AVD partly at Scale 1 and partly at Scale 2, it is advised to state the respective amounts of consideration of the residential property and the non-residential property in the chargeable instruments and/or the stamping applications. If the respective considerations for the residential property and the non-residential property are not separately shown, AVD computed at Scale 2 has to be paid when submitting the instruments for stamping. The Collector will, based on the valuation of the Rating and Valuation Department, demand further AVD payable on the instruments.

Non-residential property transactions

7. An applicant may also submit an electronic stamping application for a chargeable agreement of non-residential property if the instrument is executed on or after the Date of Gazettal and chargeable with AVD at Scale 1.

For Paper Applications

8. 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(E)); and (ii) separate cheques for payments of AVD, SSD and BSD, where applicable.

9. In respect of residential property transactions, any claim of charging AVD at Scale 2 and/or exemption of BSD for the reasons stated in paragraph 3 above, original statutory declaration to support the claim for charging AVD at Scale 2 and/or exemption of BSD (IRSD131(E)) 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 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(E)), a duly completed form IRSD118(E), and the relevant documentary evidence together with the stamping application.

10. In respect of any claim for charging AVD at Scale 2 on chargeable agreement of non-residential property, the applicant is required to submit a duly completed form IRSD118(E) and the relevant documentary evidence together with the stamping application.

11. 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.

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

*Stamp Office
July 2014*