



INLAND REVENUE DEPARTMENT
STAMP OFFICE
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To: Stamp Office Customers

STAMP OFFICE
Stamping Circular No. 07/2014
Stamping of instruments of non-residential properties
executed on or after 23 February 2013 and before
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 additional stamp duty (“ASD”), that is the difference between AVD calculated at lower rates (Scale 2) and higher rates (Scale 1) and the application of charging AVD at Scale 2 regarding instruments of non-residential properties executed on or after the Effective Date and already stamped before the Date of Gazettal (“the Transitional Period”).

(I) For cases chargeable with AVD at Scale 1 which do not involve sub-sale transactions

3. For non-residential property transactions which do not involve sub-sale transactions after execution of the agreement for sale and AVD charged at Scale 2 has been paid on the subsequent conveyance on sale (i.e. the Assignment) before the Date of Gazettal, ASD has to be paid on the Assignment within 30 days commencing immediately after the Date of Gazettal. Provided that the Assignment is duly stamped, the related preceding agreement for sale and purchase is chargeable with fixed duty of \$100. The liable party has to submit on or before 25 August 2014 (i) a duly completed Supplemental Information Form A (“Form A”) in Appendix A; (ii) a copy of stamp certificate or original stamped instrument showing the AVD already paid at Scale 2; (iii) original instruments for conventional stamping; and (iv) separate cheques for payment of ASD and the fixed duty. The stamped instrument or stamp certificate will be ready for collection afterwards within 30 working days.

4. If an agreement for sale and purchase (“Agreement”) was made for acquisition of a non-residential property during the Transitional Period but the Assignment of the transaction has not yet been executed before the Date of Gazettal, the liable party has to pay AVD calculated at Scale 1 on the Agreement. He/she has to submit an IRSD112(E) together with cheque for payment of stamp duty at Scale 1 to the Stamp Office on or before 25 August 2014.

(II) For sub-sale transactions chargeable with AVD at Scale 1

5. If there are other preceding chargeable agreements for sale with different parties (Sub-sale agreement) before the execution of conveyance on sale, such as confirmor cases, AVD on all such chargeable agreements at Scale 1 has to be paid within 30 days commencing immediately after the Date of Gazettal. For each of the Sub-sale agreement, the liable party has to submit on or before 25 August 2014 (i) a duly completed Form A; (ii) IRSD112(E); (iii) cheque for payment of stamp duty at Scale 1 and (iv) original instrument for conventional stamping. The stamped instrument or stamp certificate will be ready for collection afterwards within 30 working days.

(III) For cases chargeable with AVD at Scale 2

6. In respect of any application of charging AVD at Scale 2 regarding chargeable instruments of non-residential properties for reasons provided under the Amendment Ordinance, the applicant has to submit on or before 24 October 2014 (i.e. within 3 months after the Date of Gazettal) a duly completed Form A and the documents specified in Part 3 thereof which include (i) a duly completed exemption application form IRSD118(E); and (ii) the relevant documentary evidence in support of the claim. Provided that the Assignment is duly stamped, the related preceding agreement for sale is chargeable with fixed duty of \$100 and cheque for payment of the fixed duty is also required to be submitted together with the Form A.

Penalty

7. Taking into account the vast number of cases chargeable with ASD and AVD at Scale 1 which solicitors may have to handle within a short period of time, the Stamp Office may exercise its discretion to remit the penalty in whole or in part for late stamping cases in accordance with section 9(2) of the Stamp Duty Ordinance. Each case will be considered on its own merits. Solicitors are required to submit a duly completed IRSD127(E) in support of their application for remission of the penalty.

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

*Stamp Office
July 2014*



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To: Collector of Stamp Revenue

Supplemental Information Form A
For an instrument of Non-residential Property Transactions
(1) Stamping Additional Stamp Duty ("ASD") and Fixed Duty of \$100 ("FD")
(2) Application for Charging Ad Valorem Stamp Duty (AVD) at Lower Rates (Scale 2)

Part 1: Method of Stamping for the Present Application

- Stamp Certificate – Application for stamping without presenting instrument
 Conventional Stamping – Only applicable if the initial stamping is by conventional method

Part 2: Instrument Details

1. Instrument Reference No. of the Stamped Conveyance on Sale (i.e. Assignment): _____
2. Property Address: _____
("the Property")
3. Details of the related preceding agreement for sale and purchase ("the Agreement")
Date: _____
Name of vendor: _____ HKIC No. / BR No.: _____
Name of purchaser: _____ HKIC No. / BR No.: _____
 Not applicable (no such agreement was executed)

Part 3: Application for Charging AVD at Scale 2

Whether the purchaser is eligible to apply for charging AVD at Scale 2?

- Yes The stamped instrument was executed on or after 23 February 2013 whereas the earliest instrument in respect of this transaction was executed before 23 February 2013. A copy of the earliest instrument is attached for review.
 The purchaser is eligible to apply for charging AVD at Scale 2 by other reasons provided under the Stamp Duty (Amendment) (No. 2) Ordinance 2014. Form IRSD118(E) and relevant supporting documents are attached. [Proceed to Part 4(2)]
- No [Proceed to Part 4]

Part 4: Stamp Duty Liability

1. For Stamping on the Assignment (Note 1)
(a) Copy of Stamp Certificate or Original/Copy of Stamped Instrument*
(b) Cheque for payment of ASD: \$ _____
2. For Stamping on the Agreement
(a) Copy of the Agreement
(b) Cheque for payment of FD of \$100
3. For Confirmor Transaction (Note 2)
(a) Form IRSD 112 and copy of the Agreement
(b) Cheque for payment of AVD at Scale 1: \$ _____

* delete whichever inapplicable

 (tick as appropriate)

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Fund Code

205-02

206-55

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Part 5: Declaration

I hereby submit the above documents to support the stamping and claim of charging AVD at Scale 2*.

Signature : _____
Name : _____
Name of Solicitor Firm : _____
Contact Reference No. : _____
Telephone No. : _____
Date : _____

Organization Chop

- Note 1:
- (i) If you choose conventional stamping under Part 1, the original instrument must be submitted for imprinting.
 - (ii) If you choose stamp certificate under Part 1 and you stamped the instrument by e-Stamping previously, you have to submit a copy of the previous stamp certificate.
 - (iii) If you choose stamp certificate under Part 1 and you stamped the instrument by conventional stamping previously, you have to submit a copy of stamped instrument.

Note 2: For the other preceding chargeable agreements for sale and purchase that do not result in the execution of the assignment, the liable party has to submit Form IRSD112(E) and cheque for payment of AVD computed at higher rates (Scale 1) to the Stamp Office within 30 days commencing immediately after the Date of Gazettal. If you choose conventional stamping, the original instrument must be submitted for imprinting.

* delete whichever inapplicable