



INLAND REVENUE DEPARTMENT
STAMP OFFICE
3/F, Revenue Tower, 5 Gloucester Road,
Wan Chai, Hong Kong.

Tel. No.: 2594 3202 (Property Transfers) Web site: www.ird.gov.hk
Tel. No.: 2594 3201 (Shares, Leases, others) E-mail: taxsdo@ird.gov.hk
Fax No.: 2519 6740

To: Stamp Office Customers

STAMP OFFICE
Stamping Circular No. 01/2010
Stock Borrowing Relief – Filing of Return of
Stock Borrowing Transactions

The purpose of this circular is to remind the borrowers under stock borrowing and lending agreements (“SBLA”) registered with Stamp Office on the requirement to file return of stock borrowing transactions under the prescribed conditions.

2. Notwithstanding the registration of the SBLA with Stamp Office, the stock borrowing transactions which fail to meet the requirements for stamp duty relief under sections 19(12) and 19(12A) of the Stamp Duty Ordinance (“failed transactions”) are subject to stamp duty, and penalty where applicable.

3. With effect from the reporting period ending on or after 30 June 2003, the borrowers are required to file the return [Form SBUL1 (Rev.4/2003)] to Stamp Office under any of the following circumstances:

	Transactions under the SBLA during the 6 months period ending 30 June / 31 December	Need to file return to the Stamp Office?	Details to be reported in the return
1.	There are stock borrowing transactions, and among which one or more transaction(s) is failed transaction	Yes	Report in Part A and B details of the failed transactions, with stamp duty payment tendered
2.	There are stock borrowing transactions, but there is no failed transaction	Yes	“NIL” should be declared for each of (1) to (4) of Part A
3.	No stock borrowing transaction but	Yes	“NIL” should be

	there is unsettled transaction(s) brought forward from the previous reporting period, and none of which is failed transaction		declared for each of (1) to (4) of Part A
4.	No stock borrowing transaction but there is unsettled transaction(s) brought forward from the previous reporting period, and among which one or more of the transaction(s) is failed transaction	Yes	Report in Part A and B details of failed transactions, with stamp duty payment tendered

Only when the borrower has satisfied the following conditions, he is *not required* to file the return to Stamp Office:

(a) He has not effected any stock borrowing transaction under the SBLA;
and

(b) He has no unsettled transaction brought forward from the previous reporting period

4. Please be reminded that under section 19(15) of the Stamp Duty Ordinance, where a borrower fails to comply with the requirement to file the return to Stamp Office as the Collector may require, he shall incur a penalty at level 2 which shall be recoverable by the Collector as a civil debt due to the Government.

5. If you have any question in connection with this circular, please contact us at 2594 3282.

*Stamp Office
February 2010*