



INLAND REVENUE DEPARTMENT, STAMP OFFICE
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WAN CHAI, HONG KONG.
Web Site: www.ird.gov.hk

STAMPING PROCEDURES AND EXPLANATORY NOTES

Section 29/29G of the Stamp Duty Ordinance **Series of Transactions**

Introduction

If a conveyance on sale or chargeable agreement for sale is certified in accordance with section 29/29G of the Stamp Duty Ordinance, Cap.117 [“the Ordinance”] at a certain amount, it can be stamped at a stamp duty rate pertinent to that particular amount under Head 1(1)/(1A) of First Schedule to the Ordinance. This certificate is a statement in the instrument certifying that the transaction effected by the instrument does not form “part of a larger transaction or series of transactions” (“S.T. case”) in respect of which the aggregate amount or value of the consideration exceeds that particular amount.

2. There have been enquiries to the Stamp Office on whether the purchase of two properties (typically a flat and a car park) from the same vendor or developer on the same date or within a short time span under two separate instruments will constitute a S.T. case.

3. The purpose of this leaflet is to set out the interpretation and general practice of the Stamp Office on this matter for ease of reference. It should be noted that the following guidelines apply only to arm’s length cases. It does not apply to cases where the execution of different instruments is an artificial act to split up a transaction for the purpose of stamp duty avoidance. Furthermore, section 11 of the Ordinance stipulates that all the facts and circumstances affecting the liability of any instrument to stamp duty are to be fully and truly set forth thereon.

Our Practice

4. The Stamp Office takes the view that a S.T. case is in general one with co-ordination or interdependence between the transactions. We shall adopt this principle when determining whether two separate instruments, for the purchase of a flat and car park from the same vendor or developer on the same date or within a short time span, form a S.T. case.

5. If the purchaser is at liberty to purchase the flat with or without the car park, we may not view the transactions as a S.T. case even though there may be a pre-condition for the sale of car park that the purchaser should be a purchaser or owner of a flat in the development at the time of purchase.

6. On the other hand, if there is a pre-condition that the flat must be sold together with the car park or vice versa, then the transactions will likely form part of a larger transaction or a series of transactions. Stamp duty of the instruments will then be computed at the rate pertinent to the total amount or value of the considerations of the flat and car park.

7. This approach may be taken for other similar cases such as the purchase of adjoining flats. It should, however, be noted that each case has to be considered on its own merits.

Enquiry

8. For enquiries, please contact the Stamp Office by telephone or in writing as follows: -

Telephone number: 2594 3202

Fax number: 2519 9025

Address: 3/F, Revenue Tower, 5 Gloucester Road, Wanchai,

H.K.

Note: These notes have no binding force and do not affect a person's right of appeal to the Courts.

STAMP OFFICE
May 2019

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