



地 產 代 理 監 管 局
ESTATE AGENTS AUTHORITY

Dear Licensees,

Re: Special Stamp Duty and Buyer's Stamp Duty

The EAA is writing to draw your attention to the announcement made by the Government on 26 October 2012 to introduce measures to address the overheated property market.

The Government has decided to amend the Stamp Duty Ordinance (SDO) to adjust the rates and extend the coverage period in respect of the existing Special Stamp Duty (SSD), and introduce a new Buyer's Stamp Duty (BSD) on residential properties acquired by any person except a Hong Kong Permanent Resident (HKPR).

SSD

The adjusted SSD rates and period of coverage of the SSD are as follows:

Date of Disposal	SSD rates for properties acquired between 20 November 2010 and 26 October 2012	Proposed SSD rates for properties acquired on or after 27 October 2012
Within a period 6 months	15%	20%
After a period of 6 months but within a period of 12 months	10%	15%
After a period of 12 months but within a period of 24 months	5%	10%
After a period of 24 months but within a period of 36 months	--	10%



地 產 代 理 監 管 局
ESTATE AGENTS AUTHORITY

BSD

The BSD will be charged at a flat rate of 15% of the stated consideration for the transactions or market value of all residential property transactions, whichever is higher, on top of the existing *ad valorem* stamp duty and SSD, if applicable, acquired by any person or entity, except a HKPR.

The above measures are applicable to all residential properties acquired on or after 27 October 2012.

Pending the enactment of the legislative amendments to the SDO, licensees are advised to bring to the attention of their clients before entering into any agreement for sale and purchase of a residential property, where applicable, of the adjusted SSD rates and payment of the BSD. Licensees should also invite their clients to seek legal advice on their liability for payment of SSD and / or BSD, if necessary, before proceeding with the execution of the agreement for sale and purchase.

To enhance the understanding of the estate agency trade on the Government's new measure, the EAA has arranged the Inland Revenue Department (IRD) to brief the representatives of the estate agency associations shortly on the details of the SSD and BSD.

The EAA will pay close attention to the enactment of the legislative amendments to the SDO. Upon the passage of the legislative amendments, the EAA may issue new guidelines or practice circular to the trade if necessary. Meanwhile, licensees are strongly advised to refer to the FAQs for the SSD and BSD available at the website of the IRD at www.ird.gov.hk/eng/faq/ssd.htm and www.ird.gov.hk/eng/faq/bsd.htm respectively, for more details.

Estate Agents Authority

5 November 2012