

# HONG KONG TAX ALERT

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## Stamp Duty (Amendment Bill) 2012 passed by Legislative Council

The Stamp Duty (Amendment Bill) 2012, which was introduced into the Legislative Council on 9 January 2013, was passed on 22 February 2014. The Bill comprises two demand-side measures to address concerns over an inflated residential property market.

These measures, which apply to residential property, were announced by the Financial Secretary on 26 October 2012 and will have effect from 27 October 2012 and comprise a measure to enhance the Special Stamp Duty (SSD) rates and the introduction of a 15% Buyer's Stamp Duty (BSD) on residential properties acquired by any person (including companies) other than a Hong Kong Permanent Resident ("HKPR").

The rates of SSD will be adjusted and the holding period extended as follows:

Holding period	Current SSD Rate	Enhanced SSD Rate
Less than 6 months	15%	20%
6 to 12 months	10%	15%
12 to 24 months	5%	10%
24 to 36 months	0	10%

### Comment

It has been estimated that \$3.4 billion in enhanced SSD and BSD has been held by lawyers since 27 October 2012 and will, once the Bill has been gazetted, be payable to the Stamp Duty Office within 30 days.



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