

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2682)

Head: (76) Inland Revenue Department
Subhead (No. & title): ()
Programme: (1) Assessing Functions
Controlling Officer: Commissioner of Inland Revenue (TAM Tai Pang)
Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 42 of the Budget Speech that a stamp duty suspension arrangement has been introduced for incoming talents' acquisition of residential properties, with over 500 applications approved. In this regard, will the Government advise this Committee on:

1. (i) the total number of applications received; (ii) the number of applications approved; and (iii) the number of applications rejected since the implementation of the stamp duty suspension arrangement;
2. the specified talent admission schemes to which applicants of the approved applications in item (ii) above belong, and the respective numbers of approved applications in respect of each of the schemes;
3. the reasons for rejecting the applications in item (iii) above, and the number of applications rejected for each main reason;
4. how the applications that have already been approved before the cancellation of all demand-side management measures for residential properties will be handled, and whether the relevant charges will still be valid.

Asked by: Hon NG Chau-pei, Stanley (LegCo internal reference no.: 26)

Reply:

1. Regarding the stamp duty suspension arrangement implemented for incoming talents' acquisition of residential properties, as at 29 February 2024, the Inland Revenue Department (IRD) (i) received a total of 661 applications; (ii) of which 625 applications were approved; and (iii) 1 application was rejected. The IRD is in the course of processing the remaining applications.
2. The IRD does not maintain a statistical breakdown of the approved applications by the specified talent admission schemes to which the talents belong.

3. The reason for rejecting the application was that the period from the first day on which the incoming talent was permitted to stay in Hong Kong by virtue of the specified talent admission scheme to the date of application for suspension of stamp duty has exceeded nine years (i.e. the deadline for waiver under the stamp duty suspension mechanism has passed). Therefore, the applicant concerned is not eligible for applying for waiver of stamp duty under the suspension mechanism.

4. As announced in the 2024-25 Budget, all demand-side management measures for residential properties would be cancelled starting from 28 February 2024 (i.e. the date of announcement of the 2024-25 Budget). The new arrangement is only applicable to agreements for sale entered into on or after 28 February 2024. It is an established practice that measures concerning stamp duty on property are only applicable to transactions on or after the date of announcement with no retrospective effect. In other words, the stamp duty suspension arrangement will continue to apply to incoming talents who purchased residential properties before 28 February 2024. The incoming talents concerned, upon becoming Hong Kong permanent residents, can apply for a certificate of discharge in respect of the residential properties.

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