



地產代理監管局
ESTATE AGENTS AUTHORITY

Dear Licensees,

**Re: Tightening-up of the Exemption Arrangement under the
New Residential Stamp Duty**

The Estate Agents Authority (“EAA”) is writing to draw your attention to the announcement made by the Government on 11 April 2017 about the tightening-up of the exemption arrangement under the new residential stamp duty.

On 11 April 2017 evening, the Government announced that it would introduce legislative amendments to tighten up the existing exemption arrangement for Hong Kong permanent residents in respect of the new residential stamp duty. The Government proposed that, unless specifically exempted or otherwise provided in the law, any instrument executed on or after 12 April 2017 for acquisition of more than one residential property under that instrument will be subject to the proposed new ad valorem stamp duty (“AVD”) flat rate at 15%.

Licensees should note that the above tightening-up exemption arrangement has taken effect from 12 April 2017. Licensees should advise their clients accordingly and must not provide inaccurate or misleading information to their clients.

In addition, licensees are reminded that they must not advise clients to avoid the abovementioned Government’s measure by backdating the Provisional Agreement of Sale and Purchase (“PASP”). Altering the date of a PASP is a serious criminal offence punishable by imprisonment. Licensees may also not be considered as a “fit and proper” person to continue to hold a licence if they are convicted of a criminal offence.

Licensees are strongly advised to refer to the FAQs and illustrative examples for the AVD available at the website of the Inland Revenue Department at www.ird.gov.hk/eng/faq/index.htm#avd for more details.

Estate Agents Authority

13 April 2017