

## **Advice to Property Owners on Rates and/or Government Rent Liability**

Solicitors offer professional service to parties involved in property conveyance. The Rating and Valuation Department (RVD) provides some tips for our members, when assisting the vendor and purchaser in completing a property transaction and advising the client on the liability of rates and/or Government rent, to take important steps in checking and clearing the property's **overall outstanding balance** of rates and/or Government rent and to avoid the undesirable consequences of not paying rates and/or Government rent on time. Your assistance would help greatly in raising property owners' awareness of their responsibility of making timely payment of rates and/or Government rent and protecting the purchasers' interest.

### **Who is responsible for paying rates and/or Government rent?**

Under the Rating Ordinance (Cap 116), both the owner and the occupier are liable for rates. Pursuant to the Government Rent (Assessment and Collection) Ordinance (Cap 515), the Government may demand Government rent from the owner or the ratepayer of the property.

### **Who is eligible to register as the payer of rates and/or Government rent of a property?**

The owner or occupier of a property or the authorized agent of either party is eligible to register as the payer of rates and/or Government rent of the property.

### **Can the Demand for Rates and/or Government Rent issued by RVD be used as a proof of identity, address or else of the registered payer?**

The purpose of the Demand for Rates and/or Government Rent issued by RVD is to notify the payer of rates and/or Government rent of the payment details for timely settlement; but not serving as any proof of the payer's identity (e.g. as the property owner) or occupation of the property. Anyone who intends to use the Demand for Rates and/or Government Rent for other purposes should assess the potential risks and liabilities involved in the light of his/her own circumstances.

### **Points to note when buying a property**

1. A property may have different Account Numbers for the respective rates and/or Government rent accounts at various periods of time.
2. A demand note can only show the rates and/or Government rent outstanding balance for a specified account under a property.
3. A property's **overall** rates and/or Government rent outstanding balance can only be checked via the "Enquiry on Rates and/or Government Rent Account" service on the Property Information Online ([www.rvdpi.gov.hk](http://www.rvdpi.gov.hk)) or by using Form RVD 1009 which can be downloaded from RVD's website or obtained by calling RVD's hotline.
4. Ensure that the rates and/or Government rent are fully paid before completion of the purchase.
5. After completion of purchase, inform RVD of the change in the registered payer's name and/or correspondence address as soon as possible.
6. Demand for Rates and/or Government Rent issued by RVD does not serve as any proof of identity of the owner/payer.

### **Consequences of not paying rates and/or Government rent**

A 5% surcharge will be imposed immediately for late payment. If the outstanding amount is not settled after six months, a further 10% surcharge will be imposed and the Government may take legal action to recover the outstanding amount.

If the Government rent, including that accrued before change of ownership, is not paid, the Government is entitled to take back the property under the Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap 126). The owner will have to incur extra costs to get the property back.

This article is contributed by the Rating and Valuation Department.

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