



Dear Licensees,

**Re: Government's latest initiatives in relation to the property market**

The Estate Agents Authority (“EAA”) is writing to draw your attention to the Government’s 2024-25 Budget in relation to the property market regarding (i) cancellation of all demand-side management measures for residential properties<sup>1</sup> (“DSMMs”) with effect from 28 February 2024; and (ii) adjustments to the countercyclical macroprudential measures for property mortgage loans and other related supervisory requirements by the Hong Kong Monetary Authority (“HKMA”).

*Cancellation of DSMMs*

To give immediate effect to the relevant initiatives, the Public Revenue Protection (Stamp Duty) Order 2024 has been published in the Gazette on 28 February 2024 and the Stamp Duty (Amendment) Bill 2024 (“Bill”) will be introduced into the Legislative Council in March 2024.

Subject to enactment of the Bill, any instrument executed on or after 28 February 2024 for the sale and purchase or transfer of residential properties are no longer subject to Special Stamp Duty and Buyer’s Stamp Duty; and the Ad Valorem Stamp Duty (“AVD”) rate under Part 1 of Scale 1 is amended to the same as those of AVD at Scale 2.

For more details on the cancellation of the DSMMs and the related FAQs, licensees are advised to visit the Inland Revenue Department’s website at [www.ird.gov.hk/eng/faq/index.htm#DSMM](http://www.ird.gov.hk/eng/faq/index.htm#DSMM).

*Adjustments to the Measures for Property Mortgage Loans*

The HKMA announced that it has issued guidelines to banks adjusting the countercyclical macroprudential measures for property mortgage loans and

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<sup>1</sup> i.e. no Special Stamp Duty, Buyer's Stamp Duty or Ad Valorem Stamp Duty rate of 7.5% under Part 1 of Scale 1 needs to be paid for any residential property transactions.



other related supervisory requirements on 28 February 2024. The adjustments have taken immediate effect and apply to property transactions with provisional sale and purchase agreements signed on or after 28 February 2024. Licensees should refer to the relevant press release on the HKMA's webpage ([www.hkma.gov.hk/eng/news-and-media/press-releases/2024/02/20240228-3](http://www.hkma.gov.hk/eng/news-and-media/press-releases/2024/02/20240228-3)) for details of the adjustments.

### Reminders

In view of the Government's latest initiatives in relation to the property market as mentioned above, the EAA would like to remind licensees of the following:

- (a) licensees must be very careful when providing the details of the latest stamp duty payable or measures for property mortgage loans and they must not provide inaccurate or misleading information to their clients or prospective purchasers. Otherwise, they may be subject to disciplinary action by the EAA;
- (b) licensees should invite their clients to seek professional advice on their liability for payment of stamp duty, if necessary, before proceeding with the execution of the provisional agreement for sale and purchase; and
- (c) licensees must not make any statement to assure prospective purchasers about the amount of mortgage loan that they could obtain. On the contrary, licensees should advise prospective purchasers to consult the financial institutions directly for financial advice before making a property purchase decision.

Estate Agents Authority

1 March 2024