

HONG KONG TAX ALERT

ISSUE 8 | April 2014

Arrangements for stamping and claiming exemption from Buyer's Stamp Duty (BSD)

The Inland Revenue Department (IRD) has published details of the arrangements for claiming BSD exemptions for agreements for sale and conveyance on sale of residential properties executed on or after 27 October 2012 (the Effective Date) of the Stamp Duty (Amendment) Ordinance 2014 (the Amendment ordinance).

The Amendment Ordinance, which has retrospective effect from the Effective Date, introduces a BSD on certain agreements for sale and conveyances on sale of residential property executed on or after that date. An exemption from BSD is available for a Hong Kong permanent resident (HKPR) acquiring the property on their own behalf (i.e. that person is both the legal and beneficial owner).

Exemption from BSD

Where a purchaser or each of the purchasers of a residential property is a Hong Kong permanent resident (HKPR) who claims that they are acting on their own behalf, they have to submit, on or before 30 April 2014 (i) a duly completed Supplemental Information Form; (ii) original instrument for conventional stamping or a copy of the stamp certificate; and (iii) an original specified statutory declaration made by the purchaser or each of the purchasers declaring that they are a HKPR and that they are acting on their own behalf in acquiring the residential property. It is not sufficient for the purchaser to merely provide a copy of his Hong Kong Permanent Resident Identity Card.

In the case of a claim for exemption for any other reason under the Amendment Ordinance, the purchaser also has to submit on or before 30 April 2014 (i) a duly completed exemption form (IRSD 118); and (ii) relevant documentary evidence in support of the exemption claim.

The IRD has issued FAQs on the relevant procedures to be followed and this can be found at:

<http://www.ird.gov.hk/eng/faq/bsd.htm#q25>

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