



## Hong Kong Tax Newsflash

### Adjustment of stamp duty rates on property transactions

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As one of the 2023-24 Budget measures, the *Stamp Duty (Amendment) Bill 2023* (Bill) which aims at easing the burden on ordinary families of purchasing their first residential properties was passed by the Legislative Council on 17 May 2023. The Bill amends the Stamp Duty Ordinance to adjust the value bands of ad valorem stamp duty payable (Scale 2 rates) for sale and purchase or transfer of residential and non-residential properties with effect from 22 February 2023.

Scale 2 rates is applicable to the acquisition of residential property by a Hong Kong permanent resident who is acting on his or her own behalf and is not a beneficial owner of any other residential property in Hong Kong at the time of acquisition, and acquisition of non-residential property. As a result of the bands adjustment, the stamp duty payable for eligible transactions of property with value between HK\$2,000,000 and HK\$10,080,000 will be reduced.

For administrative convenience, a Chief Executive order has been made to give full effect to the Bill before its enactment and such order has come into force at 11:00 am on 22 February 2023. In other words, the adjusted Scale 2 rates would apply retrospectively to instruments of property executed from 11:00 am on 22 February 2023.

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If you have any questions, please contact our professionals:

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