

A BILL

To

Amend the Stamp Duty Ordinance to give effect to the proposal in the Budget introduced by the Government for the 2022–2023 financial year to waive the stamp duty payable on certain transactions relating to dual-counter stock made by market makers.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Stamp Duty (Amendment) Ordinance 2022.

2. Stamp Duty Ordinance amended

The Stamp Duty Ordinance (Cap. 117) is amended as set out in sections 3, 4 and 5.

3. Section 19 amended (contract notes, etc. in respect of sale and purchase of Hong Kong stock)

Section 19(1DA)—

Repeal

“or Part 2 of Schedule 10”

Substitute

“, Part 2 of Schedule 10 or Part 2 of Schedule 11”.

4. Section 63 amended (regulations)

Section 63(c)—

Repeal

“and 10”

Substitute

“, 10 and 11”.

5. Schedule 11 added

After Schedule 10—

Add

“Schedule 11

[ss. 19 & 63]

Transactions relating to Dual-counter Stock

Part 1

Interpretation

1. In this Schedule—

dual-counter stock (雙櫃台證券) means a Hong Kong stock in 2 tranches denominated in different currencies both of which may be traded in 2 counters, which are designated by a recognized exchange company (in accordance with the rules of

the company) as the primary counter and the secondary counter of the stock;

market maker (莊家), in relation to a dual-counter stock, means a person approved by or registered with a recognized exchange company for performing (in accordance with the rules of the company) market making or liquidity providing activities in respect of the stock;

rules (規章), in relation to a recognized exchange company, has the same meaning as it has in relation to a recognized exchange company in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

sale or purchase (售賣或購買) has the meaning given by section 19(16).

Part 2

Transactions to which Section 19(1) does not Apply

1. A sale or purchase of a dual-counter stock that is made by a market maker of the stock.”.

Explanatory Memorandum

The object of this Bill is to amend the Stamp Duty Ordinance (Cap. 117) (***Ordinance***) to waive the stamp duty payable on certain transactions relating to dual-counter stock made by market makers.

2. Clause 1 sets out the short title.
3. Section 19(1) of the Ordinance provides that a person who effects any sale or purchase of Hong Kong stock must execute a contract note and cause the note to be stamped under head 2(1) or (2) in the First Schedule to the Ordinance. Clause 3 amends section 19(1DA) of the Ordinance so that section 19(1) of the Ordinance does not apply to a transaction relating to dual-counter stock as specified in the new Schedule 11.
4. Clause 4 amends section 63 of the Ordinance to empower the Financial Secretary to amend the new Schedule 11 by regulations.
5. Clause 5 adds a new Schedule 11 to the Ordinance. Part 1 of the Schedule contains the definitions of certain terms, including ***dual-counter stock*** and ***market maker***. Part 2 of the Schedule specifies a sale or purchase of a dual-counter stock that is made by a market maker of the stock as a transaction to which section 19(1) of the Ordinance does not apply.