

Proposed Rates Concession Mechanism for Domestic Tenements in Future

Frequently Asked Questions

1. How to define a domestic tenement?

Buildings are generally classified according to the use specified on the occupation permits. For the purpose of assessing rates, the Rating and Valuation Department (RVD) makes reference to the use specified on the occupation permit, as well as the mode and character of the occupation of a property in determining whether it is a domestic or non-domestic tenement. Premises wholly or primarily used for dwelling purpose will be classified as a domestic tenement.

2. What is meant by an eligible owner?

An eligible owner means a natural person holding a valid Hong Kong Identity Card (“HKIC”) (not limited to Hong Kong permanent residents) who has registered in the Land Register as the owner of a domestic tenement as at a designated reference date. Each eligible owner can apply for rates concession for one domestic tenement only.

3. Why applications can only be made by natural person owners? / Why are company owners holding domestic properties not eligible?

This proposal is made in response to the public concerns raised in recent years over the multiple rates concession received by owners of multiple domestic properties under the existing rates concession mechanism. To address the

concerns, we recommend that only natural person owners holding domestic properties be eligible to apply for rates concession in future, such that rates concession can be provided in a more targeted manner.

If company owners are allowed to apply for rates concession, it will be difficult to prevent an owner from circumventing the new mechanism by claiming concession for multiple properties owned via different companies.

4. Are the co-owners of a domestic property eligible to apply for rates concession under the new mechanism? If the other owner does not hold a valid HKIC, does the person concerned still meet the eligibility criteria?

A co-owner can apply for rates concession for a domestic property co-owned with other owner(s) so long as he/she fulfils the eligibility criteria and has not submitted application for rates concession in respect of another domestic property. Eligible co-owners can decide among themselves as to which one of them should be the applicant. In processing the application, RVD will not consider whether the other co-owners have also met the eligibility criteria.

5. If an owner has applied for rates concession under the new mechanism in respect of a co-owned domestic property, is the other co-owner still eligible to submit application for another domestic property held by him/her?

The guiding principle of the new concession mechanism is that each natural person owner is entitled to claim

concession for one domestic property only. Therefore, when one of the co-owners has applied for rates concession in respect of their co-owned property under the new mechanism, the other co-owner(s), when meeting the eligibility criteria (e.g. holding a valid HKIC), can separately apply for concession in respect of another domestic property held by him/her.

6. If a property owner owns both domestic and non-domestic properties, and rates concession has already been given in respect of his non-domestic properties, will it affect his/her eligibility for rates concession on his/her domestic property?

No. If a property owner owns both domestic and non-domestic properties at the same time, the rates concession of his/her domestic property will be handled in accordance with the new mechanism. The rates concession of his/her non-domestic properties (if any) will be processed according to the existing mechanism.

7. Will an owner of a domestic property granted with rates concession under the new mechanism be required to make fresh applications whenever one-off rates concession is announced by the Budget?

If rates concessions will be provided by the Government continuously thereafter in subsequent years, no fresh application is required by the eligible owner already granted with rates concession under the new mechanism, so long as he/she continues to fulfil the eligibility criteria.

- 8. If an eligible owner misses the deadline of the first application period for rates concession, can he/she still be entitled to rates concession of his/her domestic property for the 3rd quarter of 2023-24 (if any)?**

Eligible owners should apply for rates concession within the first application period (tentatively March to June 2023), otherwise their domestic properties will not be granted with rates concession for the 3rd quarter of 2023-24. Failing this, eligible owners concerned can apply before the designated reference date of the 4th quarter of 2023-24 (i.e. 1 December 2023) to claim that quarter's rates concession (if any).

- 9. It is the Government's target to provide rates concession (if any) for domestic properties under the new mechanism with effect from the 3rd quarter of 2023-24 (October to December 2023). What will be the arrangement for rates concession (if any) for the first two quarters of 2023-24?**

Should there be any rates concession package for the first two quarters in 2023-24 after thorough consideration, the concession will be provided according to the existing mechanism.

- 10. Under the new rates concession mechanism, will there be measures to assist the elderly or other persons in need in applying for the rates concession? Can these eligible owners authorise other persons to apply on their behalf?**

During the first application period, the RVD will deploy more staff at its enquiry counters to attend to enquiries from persons in need (including the elderly) concerning the new rates concession arrangements, and assist them in completing the relevant applications. Depending on the actual circumstances, the RVD will consider accepting applications for rates concession from authorised persons made on behalf of eligible owners.