

Raising the maximum value of properties chargeable to the \$100 stamp duty to \$4 million

The Government has published in the Gazette today (February 26) the Public Revenue Protection (Stamp Duty) Order 2025 (the Order) made by the Chief Executive to give force and effect of law to the Stamp Duty (Amendment) Bill 2025 (the Bill) before the Bill becomes law. The Bill, which will be published in the Gazette on February 28, implements the adjustment to the value bands of the Ad Valorem Stamp Duty (AVD) proposed in the 2025-26 Budget. The Order and the Bill will be introduced into the Legislative Council on March 19.

The 2025-26 Budget announced that the maximum value of properties chargeable to \$100 stamp duty would be raised from \$3 million to \$4 million with immediate effect from February 26, 2025, with a view to easing the burden of buyers of residential and non-residential properties at lower values.

An instrument for the sale and purchase or transfer of a residential or non-residential property is subject to AVD based on the sales price or value of consideration, whichever is higher. The lowest AVD rate is \$100, which applied to a property with a sales price or value of consideration of \$3 million or below. After the adjustment, the AVD payable for a property with a sales price or value of consideration up to \$4 million will be \$100. Taking into account marginal relief, it is estimated that about 15 per cent of property transactions will benefit from the adjustment. The government revenue will be reduced by about \$400 million per year. The adjusted value bands are at Annex. The new value bands apply to instruments executed on or after February 26, 2025.