

SERVICE QUALITY

PROFESSIONALISM

LICENSING REGULATORY REGIME FOR PROFESSIONALISM AND BETTER SERVICE QUALITY

ARRANGEMENTS OF LEVY COLLECTION

BY PROPERTY MANAGEMENT SERVICES AUTHORITY

UNDER PROPERTY MANAGEMENT SERVICES ORDINANCE

(CHAPTER 626)



LEVY UNDER THE PROPERTY MANAGEMENT SERVICES ORDINANCE

With effect from 1 July 2018, transferees under conveyances on sale of immovable properties (both residential and non-residential) in Hong Kong (generally referred to purchasers signing formal agreements for sale and purchase) are liable to pay a levy to the Property Management Services Authority (PMSA) within a prescribed period. The levies are used to support the daily operation of the PMSA.

The levy is collected in accordance with the Property Management Services Ordinance (Cap. 626) (PMSO) and the Property Management Services (Levy) Regulation (Levy Regulation) under the PMSO. The Stamp Office of the Inland Revenue Department (IRD) will collect the levy on behalf of the PMSA together with the stamp duty when a conveyance on sale is submitted to the IRD for stamping.



PROPERTY MANAGEMENT SERVICES AUTHORITY

The PMSA is a body corporate established in accordance with section 42(1) of the PMSO and its principal functions are to regulate and control the provision of property management services in Hong Kong by the licensing of property management companies and property management practitioners; to promote the integrity, competence and professionalism of the profession of property management services; and to maintain and enhance the status of the profession of property management services. The PMSA is a self-financing statutory body supported by income generated from levies and licence fees.



Frequently Asked Questions

1. What is levy?

Levy is a fixed sum charged in accordance with the PMSO and the Levy Regulation under the PMSO. The amount of levy payable for each leviable instrument is HK\$350 regardless of the stated consideration or value of the immovable properties under the conveyance on sale.

2. What kinds of instrument are leviable?

Leviable instruments are conveyances on sale as defined under section 2(1) of the Stamp Duty Ordinance (Cap.117) (SDO) which are chargeable with stamp duty under head 1(1) in the First Schedule to the SDO (leviable instruments). A conveyance on sale generally means every conveyance whereby any immovable property, upon the sale thereof, is transferred to or vested in a purchaser. You are advised to seek professional advice on the kinds of instruments that are leviable under the PMSO.

3. Who shall pay the levy?

The transferee under a leviable instrument is liable to pay the levy. The transferee is the person to whom the immovable property concerned is transferred, or in whom the immovable property concerned is vested, under the leviable instrument (generally refers to the purchaser who signs the formal agreement for sale and purchase). If there is more than one transferee under the instrument, all transferees are jointly and severally liable to pay the levy.

4. When is the levy payable?

The levy is payable within 30 days after the leviable instrument is executed, which is the same as the time for stamping.

5. How is the levy paid?

The collection of levy is very similar to that of stamp duty. The Stamp Office of the IRD will collect the levy on behalf of the PMSA together with the stamp duty when a conveyance on sale which is leviable is submitted to the IRD for stamping. Stamping can be made either electronically or via paper applications submitted to the Stamp Office of the IRD.

In general, matters relating to conveyances on sale and payment of stamp duty etc. are handled by solicitor firms. As both stamp duty and levy are collected by the Stamp Office, payers can arrange for both payments through solicitor firms.

6. Why are purchasers of immovable properties liable to pay the levy to the PMSA?

Through formulating and implementing a licensing regulatory regime and other complementary measures, including codes of conduct and administrative guidelines, that suit the situation in Hong Kong, the PMSA aims to encourage and assist the property management industry and its practitioners in striving for enhancement in quality and professionalism so as to provide property owners, occupiers and users with professional property management services, hence better living environment. The PMSA is a self-financing statutory body. The levies are used to support its daily operation to fulfil its vision and to serve the public.

7. Is the levy only payable by the purchaser but not the seller of an immovable property?

Yes. Only purchasers of immovable properties are liable to pay the levy, which is collected in accordance with the relevant provisions of the PMSO. Sections 53 to 55 of the PMSO provide for the payment of levy to the PMSA by transferees under leviable instruments within a prescribed period while section 54 stipulates that transferees are liable to pay the levy.

8. What are the consequences of late payment or non-payment of levy?

Transferees under leviable instruments are liable to pay the levy within a prescribed period in accordance with the PMSO.

According to sections 57 and 58 of the PMSO, late payment or non-payment of levy are subject to a penalty, the amount of which ranges from two to ten times of the original amount of the levy, depending on the length of delay. If there is more than one transferee under the instrument, they are all jointly and severally liable to pay the penalty.

The PMSA may recover the amount of any levy or penalty payable as a civil debt due to it in accordance with section 60 of the PMSO, or register a certificate of levy and penalty in the Land Registry in accordance with section 59 of the PMSO.

9. How can levy be exempted?

The exemption under the PMSO levy regime is the same as that under the SDO. Where any exemption is available under the SDO, no levy shall be payable under the PMSO. The Levy Regulation provides that classes of persons covered by sections 41 and 43(1) of the SDO, such as the Government, a person acting in his capacity as a public officer, diplomatic agent, consular officer etc., are exempt from payment of levy.

Who should I consult if I am not sure whether levy is payable for the transaction of an immovable property of a flat?

As matters relating to conveyances on sale of properties are handled by solicitor firms in general, their advice can be sought for the payment of levy.

Details of the levy are uploaded onto the PMSA website www.pmsahk.org.hk. For enquiry, please contact the PMSA Executive Office by phone (Tel: 3696 1111) or in person (Address: Units 904-5, 9/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong) during office hours.

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