

## LEGISLATIVE COUNCIL BRIEF

Rating Ordinance  
(Chapter 116)

### RATING (EXEMPTION) ORDER 2024

#### INTRODUCTION

A At the meeting of the Executive Council on 28 February 2024, the Council ADVISED and the Chief Executive ORDERED that the Rating (Exemption) Order 2024 at **Annex A** should be made under section 36(2) of the Rating Ordinance (Cap. 116).

#### JUSTIFICATIONS

2. To relieve the financial burden on the general public and having regard to the Government's fiscal position, the 2024-25 Budget has proposed to waive rates for the first quarter in 2024-25, with the waiver capped at \$1,000 for each domestic and non-domestic tenement.
3. The proposed rates concession will benefit about 3.51 million properties liable to rates payment. About 37% of domestic ratepayers and 28% of non-domestic ratepayers will not need to pay any rates for the first quarter of 2024-25.
4. Section 36(2) of the Rating Ordinance provides that the Chief Executive in Council may, by order, declare any class of tenements, or parts thereof, or any part of Hong Kong to be exempted from the payment of rates wholly or in part. The Rating (Exemption) Order 2024 has been made by the Chief Executive in Council under this section to effect the proposed rates concession. The relevant order should take effect on 1 April 2024.

## **OTHER OPTIONS**

5. An order made by the Chief Executive in Council under section 36(2) of the Rating Ordinance is needed for implementing the proposed rates concession. There is no other option.

## **THE ORDER**

6. The provisions of the Rating (Exemption) Order 2024 are as follows –

- (a) **Section 1** provides that the Order comes into operation on 1 April 2024.
- (b) **Section 2** provides that the “concession period” means the period from 1 April 2024 to 30 June 2024.
- (c) **Section 3** provides that a tenement included in a valuation list in force will be exempted from the payment of rates up to the amount of \$1,000 for the concession period. The \$1,000 cap will be reduced proportionately if rates would otherwise be payable for only part of the concession period.

## **LEGISLATIVE TIMETABLE**

7. The Order will be gazetted on 8 March 2024 and tabled at the Legislative Council on 13 March 2024 for negative vetting.

## **IMPLICATIONS OF THE PROPOSAL**

8. The proposed rates concessions will lead to revenue forgone of about \$3 billion<sup>1</sup>.

9. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. The proposal will not affect the binding effect of the existing provisions of the Rating Ordinance and its subsidiary legislation. The economic, sustainability and family implications of the proposal are at **Annex B**. The proposal has no productivity, environmental, gender or civil service implications.

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<sup>1</sup> The revenue forgone arising from the proposed rates concession to domestic and non-domestic tenements are around \$2.6 billion and \$0.37 billion respectively.

## **PUBLIC CONSULTATION**

10. We have formulated the proposal after taking into account views received from legislators and other stakeholders during the Budget consultation process. Owing to the confidentiality of the Budget, we have not carried out prior consultation for the proposed measure.

## **PUBLICITY**

11. We will issue a press release on 6 March 2024. A spokesperson will be available to answer media and public enquiries.

## **ENQUIRIES**

12. Enquiries on this Brief can be directed to Miss Josephine TSANG, Principal Assistant Secretary for Financial Services and the Treasury (Treasury), at 2810 2370.

**Financial Services and the Treasury Bureau**  
**March 2024**

**Rating (Exemption) Order 2024**

(Made by the Chief Executive in Council under section 36(2) of the Rating Ordinance (Cap. 116))

**1. Commencement**

This Order comes into operation on 1 April 2024.

**2. Interpretation**

In this Order—

*concession period* (寬免期) means the period from 1 April 2024 to 30 June 2024.

**3. Exemption from payment of rates**

For the concession period, a tenement included in a valuation list in force is exempted from the payment of rates to the extent of an amount equal to the rates otherwise payable or \$1,000, whichever amount is less. If rates would otherwise be payable for only part of the concession period, the amount of \$1,000 is reduced proportionately.

Clerk to the Executive Council

COUNCIL CHAMBER

2024

**Explanatory Note**

This Order exempts a tenement from the payment of rates up to a maximum of \$1,000 for the period from 1 April 2024 to 30 June 2024.

## **Economic, Sustainability and Family Implications of the Proposal**

### *Economic Implications*

The proposed rates concession will help reduce the financial burden of ratepayers, enabling them to have more disposable income, and that would be conducive to economic growth.

### *Sustainability Implications*

2. The proposed measure is expected to generate economic benefits to households and businesses through increasing their disposable incomes and to promote social harmony through alleviating ratepayers' burden.

### *Family Implications*

3. The proposed rates concession to domestic properties will help strengthen relevant ratepayers' capability to foster care of their family members.