

**Registering Property Survey – Hong Kong, China**

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Dear Ms. Chan,

We would like to thank you for your cooperation with the *Doing Business* project. Your contribution and expertise are essential to the success of the *Doing Business* report, an annual publication of the World Bank and the IFC that benchmarks business regulation in 183 economies worldwide.

*Doing Business 2010: Reforming through Difficult Times* was launched on September 9, 2009. This year's report received a record number of 2,517 media citations within one month of publication, including coverage from all major global, regional and local media outlets including TV, print, broadcast and web.

The positive feedback from governments around the world who are using the *Doing Business* reports as an input for policy debate about regulatory reform is only possible thanks to the generous contribution of over 8,000 experts like you, in 183 economies.

Since its inception in 2004, *Doing Business* has informed 270 reforms around the world, making it easier for small and medium sized entrepreneurs to do business. In 2008/09, 34 economies made it easier to transfer a property.

For further information about the report, please visit our website on [www.doingbusiness.org](http://www.doingbusiness.org). We also invite you to read our quarterly newsletter for updates on the growing global network of *Doing Business* contributors around the world.

For *Doing Business 2011*, we are honored to be able to count on your expertise:

- Before completing the survey, please review the assumptions of the case study. We ask that you update last year's information, included in the survey.
- Please describe in detail any reform that affects the process of transferring a property since June 2009.

We would appreciate if you could return the completed survey by February 16, 2010 to [fbustelo@worldbank.org](mailto:fbustelo@worldbank.org), [mdelion@worldbank.org](mailto:mdelion@worldbank.org), and [chacibeyoglu@worldbank.org](mailto:chacibeyoglu@worldbank.org). Please make sure to complete your name and address, so we can mail you a complimentary copy of the report.

If you have any questions, do not hesitate to contact us. Thank you again for your invaluable contribution to the World Bank's work.

Sincerely,



Cemile Hacibeyoglu  
Email: [chacibeyoglu@worldbank.org](mailto:chacibeyoglu@worldbank.org)  
Phone: 1 202 458 7442



Marie Delion  
Email: [mdelion@worldbank.org](mailto:mdelion@worldbank.org)  
Phone: 1 202 473 0183

### Primary Contributor Information

All information will be published. Please **check** the information you **do not** want us to **publish**. We do not publish mobile phone numbers.

<i>Do not publish</i>	<b>Name</b>	0038000000XNGolAAH		
<input type="checkbox"/>	Title (Mr., Ms., Mrs., etc.)	<b>Ms.</b>	<b>[Mr]</b>	
<input type="checkbox"/>	First Name	<b>Allan</b>	<b>[Kenneth]</b>	
	Last Name	<b>Chan</b>	<b>[Poon]</b>	
<i>Not published</i>	Position (e.g. manager, associate, partner)	<b>Customer Service Manager</b>	[ ]	[ ]
<i>Not published</i>	Profession (e.g. judge, lawyer, architect)	<b>Land Registry</b>	[ ]	[ ]

<i>Do not publish</i>	<b>Contact details</b>			
<input type="checkbox"/>	Firm name	The Land Registry of Hong Kong	[ ]	[ ]
<input type="checkbox"/>	E-Mail address	csm@landreg.gov.hk	[ ]	[ ]
<input type="checkbox"/>	Phone	852 2867 2707	[ ]	[ ]
<input type="checkbox"/>	Fax	852 2523 0065	[ ]	[ ]
<input type="checkbox"/>	Website	www.landreg.gov.hk	[ ]	[ ]
<i>Not Published</i>	Mobile phone		[ ]	[ ]

<input type="checkbox"/> <i>Do not publish</i>	<b>Firm Address</b>			
Street	19/F, Queensway Government Offices, 66 Queensway	[ ]	P.O. Box	[ ]
City	Central	[ ]	State/ Province	[ ]
Zip/Postal code		[ ]	Country	Hong Kong, China [ ]

### Additional Contributors' Information

Name	Occupation	Email	Phone	Address, if different than above
[title]	[firm]	[ ]	[phone]	[street]
[first name]	[position]		[mobile]	[state/province]
[last name]	[profession]			[city/country]

[title]	[firm]	[ ]	[phone]	[street]
[first name]	[position]		[mobile]	[state/province]
[last name]	[profession]			[city/country]
[title]	[firm]	[ ]	[phone]	[street]
[first name]	[position]		[mobile]	[state/province]
[last name]	[profession]			[city/country]

**Case Study Assumptions**

**Measuring time, cost & procedures to transfer a warehouse between two firms in Hong Kong:**

The Seller Company has accepted the Buyer Company's offer to purchase the property and the terms of the contract between both parties has been agreed. Parties are ready to proceed to fulfill all the common requirements in order to complete the property transfer.

The **Buyer** and **Seller** are local limited liability companies located in the periurban area of Hong Kong (country's largest business city). They are owned by private nationals (with no foreign or state ownership) and perform general commercial activities.

The **Property** consists of land and a 2-story building (warehouse): the land area is 557.4 square meters (6,000 square feet), while the warehouse has a total area of 929 square meters (10,000 square feet).

The seller company owned the property for the last 10 years. The property is properly registered in the land registry and/or cadastre; it is free of title disputes and has no mortgages attached to it. The **value of the property** is 12,027,473.2 HKD (equivalent to **USD 1,571,115**) (equal to 50 times income per capita).

**Reform Update in property transfer and registration**

**1. Has there been an administrative or legal change since June 1, 2009 that affects the requirements and the process to transfer a property?**  Yes  No

Please describe the reform, indicating the name and date of the law (if applicable), and if possible providing a copy or link of the law: [ ]

Has this reform simplified or complicated your daily work related to property transfers? Please explain : [ ]

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**2. Last year we were informed of the following future administrative/legal reform project in your country:** No future reform recorded

**Please update us on the status of this initiative. Is it now in place, and if so, since when?** [ ]

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**3. Are you aware of any planned (future) legal or administrative reform(s) which would affect property registration by June 1, 2010? Please describe**  Yes  No

[The Land Registry planned to further enhance the performance pledge for registration of land documents from the 16 working days (approximately 22 calendar days) in 2009/2010 to 15 working days (approximately 19 calendar days) in year 2010/2011. This

will further shorten the completion of registration by 1 working day (or 3 calendar days). Details of the performance pledges are promulgated in the Land Registry website [www.landreg.gov.hk](http://www.landreg.gov.hk) and reviewed annually.]

## Data Update

For your convenience, last year's answers are included in this survey. They represent a unified answer, based on the answers we received from various contributors. Please see below the aggregate averages, and the detailed procedure list

Summary	Hong Kong – Hong Kong, China
Procedures	5
Time (calendar days)	45
Cost (% of property value)	5.0

Please update the data, taking into account the assumptions of the case study and changes (if any) in the legislation/practice, and bear in mind that:

**Time** is measured in calendar days.

A **procedure** is an interaction of the buyer or the seller, their agents or the property with external parties, including government agencies, inspectors, notaries and lawyers; procedures that take place simultaneously are marked with an asterisk (\*);

**Costs** only reflect official fees and taxes and exclude bribes; VAT should not be included in the costs.

<b>Procedure 1</b>	Purchaser's solicitor does a land search at the Land Registry	
<b>Time</b>	1 day	<b>Time update</b> [ 0 day]
<b>Cost</b>	HK\$ 25	<b>Cost update</b> [ HK\$0]
<b>Agency</b>	Land Registry	<b>Agency update</b> [ N/A]
<b>Details</b>	It is a common procedure that the Buyer's solicitor will conduct a land search before execution of the Agreement for Sale and Purchase (ASP) to ensure that that the previous registration records showing for example, the Seller's title to the property are complete and there is no unusual encumbrance registered against the property. All land records are available for search by public by attending at the Land Registry or by doing online internet search. The prescribed fee is HK\$25 for a full land search (which would provide all historical and current data affecting the property) and HK\$10 for an up-date land search (which would only provide the current data). This will take about one (1) day and in fact, immediately if it is done through the online internet service provided by the Land Registry which many law firms in Hong Kong would have subscribed to such service.	

**Additional details**

The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows :

The case study assumptions stipulate that the Seller Company (the Vendor) has accepted the Buyer Company's (the Purchaser) offer to purchase the property and the terms of the contract between both parties has been agreed and that the parties are ready to proceed to fulfill all the common requirements in order to complete the property transfer. The case assumptions further established that the property is properly registered in the Land Registry and is free of title disputes. Based on the case scenario provided for this survey, the Purchaser's solicitor is therefore NOT REQUIRED to do a land search at the Land Registry as the first procedure. A land search, however, will be conducted in Procedure 2 (i.e the new Procedure 1) before execution of the Assignment.

All related values for the past year's Procedure 1 SHOULD BE DELETED.

Has the procedure, the time or the cost changed since June 2009?  Yes  No

If yes, please update the values above and indicate whether the changes above are due to a correction (i.e. incorrect data) or a reform (i.e. change in practice or prescribed by law since June 2009).

[ As this procedure is not required, all related values SHOULD BE DELETED. ]

**Procedure 2** Purchaser's solicitor registers the executed Agreement of Sale and Purchase (ASP) at the Land Registry

**Time** 30 days

**Time update**  
[ This should be the first procedure i.e. Procedure 1. Procedure 1 covers 30 days and it should be described as "Purchaser's solicitor registers the executed Agreement for Sale and Purchase at the Land Registry, prepares an Assignment to be executed by the Vendor and the Purchaser, does a final land search and arrange signing of the Assignment by both parties.]

**Cost** HK\$ 210

**Cost update**  
[ HK\$235 (HK\$210 for registration fee of the Agreement for Sale and Purchase + HK\$25 for conducting a land search)]

<b>Agency</b>	Land Registry	<b>Agency update</b> <b>[ Land Registry]</b>
<b>Details</b>	<p>The Buyer's solicitor then registers the signed ASP at the Land Registry when the Buyer will usually have given 10% of the purchase price to the seller as deposit. During this period of time from signing of ASP to completion, the Buyer will finalise the finance arrangement for purchase of the property (if necessary). In addition, during this period of time, the Buyer's solicitor will complete perusal of title deeds and clarify any title issues with the Seller's solicitors and confirm good title to the Buyer.</p> <p><b>Additional details</b></p>	
<p>Has the procedure, the time or the cost changed since June 2009? <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b></p>		
<p>If yes, please update the values above and indicate whether the changes above are due to a correction (i.e. incorrect data) or a reform (i.e. change in practice or prescribed by law since June 2009).</p> <p>[</p> <p><b>The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows :</b></p> <p><b>PROCEDURE 1 :</b></p> <p><b>This procedure refers to the interaction between the Purchaser's solicitor and the Land Registry. The Purchaser's solicitor registers the executed Agreement for Sale and Purchase with the Land Registry. At this time, the Purchaser gives a 10% down payment on the property and has time to arrange financing for the remainder owed. During the 30-day period, the Purchaser's solicitor prepares an Assignment deed, including perusing the title deeds and raising requisitions on title and the vendor's solicitor answers the title requisitions and rectifies any title problems. Preparation of the Assignment deed would start immediately after the execution of the Agreement for Sale and Purchase and the preparation takes about 12 days within this 30-day period. The Purchaser's solicitor will make a final land search on the property to ensure there has not been any competing deed lodged with the Land Registry after the executed Agreement for Sale and Purchase has been registered with the Land Registry and arrange the Assignment deed to be signed by both parties.</b></p> <p><b>Time: 30 days</b></p> <p><b>Cost: HK\$235 (HK\$210 for registration fee of the executed Agreement for Sale and Purchase + HK\$25 for conducting a land search)</b></p> <p><b>Agency: Land Registry]</b></p>		

**Procedure 3** Property Assignment is prepared by the Purchaser's solicitor, signed by both parties, and filed at the Stamp Office.

<b>Time</b>	12 days	<p><b>Time update</b>                  [ This should be the second procedure i.e. Procedure 2. Procedure 2 takes 1 day and it should be described as "The Purchaser's solicitor settles the stamp duty payable with the Stamp Office via e-stamping.]</p>
<b>Cost</b>	HK\$ 100 +3.75% stamp duty for non-residential property	<p><b>Cost update</b>                  [ 3.75% stamp duty of the property value]</p>
<b>Agency</b>	Stamp Office	<p><b>Agency update</b>                  [ Stamp Office]</p>
<b>Details</b>	<p>Depending on encumbrances that might be still associated with the property this process might take a longer time.</p> <p>Note: The Property Assignment will give the purchaser legal title and possession of the property.</p> <p><b>Additional details</b></p> <p><b>The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows :</b></p> <p><b>The cost is incorrect. It should be 3.75% stamp duty for the warehouse in this case. The warehouse is a non-residential property. For non-residential property, stamp duty is only charged on the Assignment and at a flat rate 3.75% for property valuing over HK\$6,720,000. The fixed amount of HK\$100 is not applicable (which is applicable only to residential property).</b></p>	
<p>Has the procedure, the time or the cost changed since June 2009? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		

If yes, please update the values above and indicate whether the changes above are due to a correction (i.e. incorrect data) or a reform (i.e. change in practice or prescribed by law since June 2009).

[ The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows :

**PROCEDURE 2:**

The Purchaser's solicitor settles the stamp duty payable with the Stamp Office via the e-stamping service provided by the Stamp Office which is completed instantly (counted as 1 day for the purpose of this survey). The Assignment needs not be sent physically to the Stamp Office for stamping. The Stamp Office has introduced the e-stamping service on 2 August 2004. The solicitor will submit application for electronic stamping through the Internet and then print the stamp certificate at his office as an attachment to the Assignment to be submitted to the Land Registry for registration.

**Time: 1 day**

**Cost:** The stamp duty required should be 3.75% of the property value, being the stamp duty payable for a conveyance of non-residential property with a consideration exceeding HK\$6,720,000 according to the First Schedule to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

**Agency: Stamp Office]**

<b>Procedure 4</b>	Stamp office returns original stamped Assignment to the Purchaser's solicitor	
<b>Time</b>	1 day	<b>Time update</b> [ 0 day]
<b>Cost</b>	HK\$ 450 (registration of Assignment) + between 0.5% and 2% of property value (solicitor's fee, which is not mandatory and it is negotiable).	<b>Cost update</b> [ HK\$0]
<b>Agency</b>	Stamp Office	<b>Agency update</b> [ N/A]
<b>Details</b>	This happens after the Stamp Office receives the original Assignment and payment of Stamp Duty. All necessary forms and documents for stamping can be submitted in paper or online (www.gov.hk/estamping.). If this is done via e-stamping, the stamp certificate is printed the day after submission and payment. This process of submission and payment is straight forward, details of the transaction are submitted over the internet, a stamp invoice is issued immediately which can be printed. Payment of the stamp invoice can be settled with the local post office. Both methods fulfill the stamping requirement equally. Under the conventional method no stamp certificate is issued, instead, the relevant document (e.g. the assignment) would be stamped by the Stamp Office with the value of stamp duty paid.	

**Additional details**

The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows :

As stated in Procedure 2, the stamping is done via the e-stamping service provided by the Stamp Office online at www.gov.hk/estamping and the Assignment is not physically sent to the Stamp Office for stamping, there is no longer any step for the Stamp Office to return the stamped Assignment to the Purchaser's solicitor.

**THIS PROCEDURE IS NOT REQUIRED and ALL RELATED VALUES SHOULD BE DELETED.**

Has the procedure, the time or the cost changed since June 2009?  Yes  No

If yes, please update the values above and indicate whether the changes above are due to a correction (i.e. incorrect data) or a reform (i.e. change in practice or prescribed by law since June 2009).

[ The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows:

**THIS PROCEDURE IS NOT REQUIRED and ALL RELATED VALUES SHOULD BE DELETED.]**

<b>Procedure 5</b>	Purchaser's solicitor registers the Property Assignment at the Land Registry	
<b>Time</b>	1 day	<b>Time update</b> [ This should be the third procedure i.e. Procedure 3. Procedure 3 takes 1 day.]
<b>Cost</b>	included in previous procedure	<b>Cost update</b> [ HK\$450 (Assignment Registration Fee) + HK\$50,575 (i.e. 0.42% of the property value, being the legal cost paid to the solicitor for the Agreement for Sale and Purchase and Assignment)]
<b>Agency</b>	Land Registry	<b>Agency update</b> [ Land Registry]
<b>Details</b>	The duly stamped Assignment will then be presented by the solicitors to the Land Registry. The purchaser's solicitor shall register the Assignment at the Land Registry within 30 days from the date of Assignment so as to preserve its priority under the law. After receipt of the original Assignment by the Land Registry, it will take another 28 days to three months (or usually two months) depending on the workload of the Land Registry at that time to complete the registration and return the Assignment to the solicitor's office. However, the title is legally property of the purchaser once the Property Assignment is submitted to the Land Registry on the first day. The remaining days (or months) account for the Registry to document the transfer in microfilm and other media.	

**Additional details**

Has the procedure, the time or the cost changed since June 2009?  **Yes**  No

If yes, please update the values above and indicate whether the changes above are due to a correction (i.e. incorrect data) or a reform (i.e. change in practice or prescribed by law since June 2009).

[ The Land Registry, Hong Kong's return on "Registering Property Survey" 2011 is as follows :

**PROCEDURE 3:**

**Time: 1 day.**

The duly stamped Assignment will be presented by the purchaser's solicitor to the Land Registry for registration. The property is already legally conveyed to the purchaser once the Property Assignment is duly executed.

It should also be clarified that the Land Registry has promulgated performance pledges for its public services since 1993/1994. For the year 2009/2010, the Land Registry performance pledge for "Registration of land documents" (which covers the full process from receipt of the document to updating the land register, completion of imaging the document to return of the registered document to the lodging solicitor's office) is 16 working days (which is approximately 22 calendar days). According to our record, we have met our performance targets in registration of deeds. It is therefore INCORRECTLY DESCRIBED in the "Details" on p.10 that "it will take another 28 days to three months (or usually two months) depending on the workload of the Land Registry at that time to complete registration and return the Assignment to the solicitor's office".

The Land Registry planned to further enhance the performance pledge to 15 working days (which is approximately 19 calendar days) in year 2010/2011. Details of the performance pledges are promulgated in the Land Registry website [www.landreg.gov.hk](http://www.landreg.gov.hk) and reviewed annually.

**Cost: HK\$51,025**

[HK\$450 (Registration Fee of the Assignment) + HK\$50,575 (legal cost paid to the solicitor for the Agreement for Sale and Purchase and Assignment).

According to Schedules 1 and 2 to the Solicitors (General) Costs Rules (Chapter 159G of the Laws of Hong Kong), the legal costs for an Agreement for Sale and Purchase and an Assignment of a property transaction with a consideration of HK\$12,027,473.2 are HK\$3,000 and HK\$47,575 respectively. Therefore, the total legal cost in this case is HK\$50,575 (i.e. HK\$3,000 + HK\$47,575) equivalent to 0.42% of the property value. Furthermore, the purchaser is allowed to negotiate the fee with the solicitor according to section 56 of Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong). Therefore, the actual legal cost required to be paid could be less than HK\$50,575.

**Agency: Land Registry**

In summary, the updated return on "Registering Property Survey" 2011 in respect of the 3 measurements is as follows:

Procedure :	3
Time (Calendar days):	32
Cost (%of property value)	4.18%]

**Research**

**Specific questions about property transfers in Hong Kong :**

Is there any missing procedure not included in the procedure list above? Please specify

No specific question.

Answer : [ Nil ]

**Questions about the property registration system in [Hong Kong]:**

	DB data	Your update (if different)
1. Is the land registry based on a...	<p>Deed system (a system recording and filing property transfer documents): <b>Yes</b></p> <p>Title system (a system where ownership of land is maintained based on the parcel rather than the owner or the deed transfer): <b>No</b></p> <p>Comments:</p>	<p>Deed system? <input type="checkbox"/></p> <p>Title system? <input type="checkbox"/></p> <p>Comments update [ The Land Registry is planning for implementation of a title registration system to replace the existing deed registration system. The Land Titles Ordinance was enacted in 2004 but it will not commence until further amending legislation is passed. We aim to introduce the Land Titles (Amendment) Bill into the Legislative Council in end 2010 and commence title registration one year after the enactment of the Bill. ]</p>
2. In [Hong Kong], the most common type of	<p><b>Lease for a fixed term - term of lease may vary, but recent grants are for a term expiring on 3/6/247, or</b></p>	<p>Type ownership update: [ Lease for a fixed</p>

ownership is	sometimes for 5 years from the date of the grant	term - term of lease may vary but it is common that the term is for 50 years from the date of grant. As such, the term of leases granted after 1997 may expire beyond 30 June 2047. ]
3. Property and land are registered separately?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Comments:

	DB data	Your update (if different)	
		Yes	No
<b>4. Land registry accessibility:</b>			
4.1 Does the registry have a computerized database for ownership of properties (or deeds/sale acts)?	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, is this information accessible on-line over the internet?	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.2 Does the land registry have a computerized database for encumbrances?	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, is the data on encumbrances accessible over the internet?	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, please provide the website link	[www.iris.gov.hk]		
4.3 Is it legally required to obtain a non-encumbrance certificate	Please complete	<input type="checkbox"/>	<input checked="" type="checkbox"/> No
If yes, please provide the relevant law & article	[ ]		
If a non-encumbrance certificate is required by law or practice, which document is sufficient? <i>Printout from the internet</i> <input type="checkbox"/> <i>Doc. certified by Land registry</i> <input type="checkbox"/>			
<b>5. Accelerated procedures (express):</b>			
5.1 Does the <u>land registry</u> offer accelerated procedures (official payment to expedite the process)?	No	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, please review if this data is accurate [ Please complete ]	[No fee is required.]		
5.2 Do <u>other agencies</u> have expedited procedures?		<input type="checkbox"/>	<input type="checkbox"/>
If yes, please name the agencies	[ ]		
If yes, please review if this data is accurate [ ]	[ ]		
<b>6. Time limits imposed by law (or regulations):</b>			
6.1 Does the land registry have time limits to complete procedures?	Please complete	<input type="checkbox"/>	<input checked="" type="checkbox"/> No
If yes, please review if the time limit at the registry is accurate [ ]	[ ]		
6.2 Do other agencies have established such time limits to complete their procedures?		<input type="checkbox"/>	<input type="checkbox"/>

If so, please name the agency(ies)	[ ]
6.3 Are standard "sale purchase agreements" available to complete a property sale (and to submit to the registry)?	Yes <input checked="" type="checkbox"/> <input type="checkbox"/>
If yes, where are copies of standard sale purchase agreements available? Online <input type="checkbox"/> Law <input checked="" type="checkbox"/> Land registry <input type="checkbox"/> Other(specify) [The standard form is provided by Law in the Third Schedule to the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong.)]	
<b>7. Informality in property registration:</b>	
7.1 Please provide an estimate of the % of property parcels formally registered in your city?	[100%]
7.2 Please provide an estimate if the % of property parcels formally registered in your country?	[100% for the Hong Kong Special Administrative Region]

**Referral**

First name	Last name	Firm	Position	Phone	E-mail	Area of Expertise
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

**Thank you for completing the survey!**  
 We appreciate your contribution to the Doing Business project.  
 The results will appear in *Doing Business 2011* and on our website: <http://www.doingbusiness.org>.  
 Your work will be gratefully acknowledged in both.