

Advice to Property Owners on Rates and/or Government Rent Liability

Estate agents offer professional service to parties involved in property conveyance. The Rating and Valuation Department (RVD) provides some tips for our licensees, when assisting the vendor and purchaser in completing a property transaction and advising the client on the liability of rates and/or Government rent, to take important steps in checking and clearing the property's **overall outstanding balance** of rates and/or Government rent and to avoid the undesirable consequences of not paying rates and/or Government rent on time. Your assistance would help greatly in raising property owners' awareness of their responsibility of making timely payment of rates and/or Government rent and protecting the purchasers' interest.

Who is responsible for paying rates and/or Government rent?

Under the Rating Ordinance (Cap 116), both the owner and the occupier of a property are liable for rates. Pursuant to the Government Rent (Assessment and Collection) Ordinance (Cap 515), the Government may demand Government rent from the owner or the ratepayer of the property.

Who can register as the payer of Rates and/or Government rent for a property?

Normally, the owner or occupier of a property or the authorised agent of either party who pays rates and/or Government rent can register as payer.

Can the Demand for Rates and/or Government Rent be used as proof of property ownership/address?

The purpose of the Demand for Rates and/or Government Rent issued by RVD is to notify the payer of rates and/or Government rent of the amount payable for timely payment. As the registered payer can be the owner, tenant or the agent of either party, the Demand for Rates and /or Government Rent **cannot be used as a proof of identity (such as proof of identity as the owner of a property) or address of the payer**. Any individual who intends to use the Demand for Rates and/or Government Rent for other purposes should assess the potential risks and liabilities involved in the light of his own circumstances.

What is “eRVD Bill Service”?

The eRVD Bill service covers the quarterly demands issued around early January, April, July and October every year and also the surcharge demands. Payers may register at RVD website : www.rvd.gov.hk. Registered users can easily retrieve the electronic demand and arrange payment. Notification message will be sent to the registered user’s MyGovHK account when an electronic demand is available.

Points to note when buying a property

1. A property may have different Account Numbers for the respective rates and/or Government rent accounts at various periods of time.
2. A demand note can only show the rates and/or Government rent outstanding balance for a specified account under a property.
3. A property’s **overall** rates and/or Government rent outstanding balance can only be checked via the “Enquiry on Rates and/or Government Rent Account” service on the Property Information Online (www.rvdpi.gov.hk) or by using Form RVD 1009 which can be downloaded from RVD’s website or obtained by calling RVD’s hotline.
4. Ensure that the rates and/or Government rent are fully paid before completion of the purchase.
5. After completion of purchase, inform RVD of the change in the registered payer’s name and/or correspondence address as soon as possible.
6. Demand for Rates and/or Government Rent issued by RVD does not serve as a proof of identity of the owner/payer.

Consequences of not paying rates and/or Government rent

A 5% surcharge will be imposed immediately for late payment. If the outstanding amount is not settled after six months, a further 10% surcharge will be imposed. The Government may take legal action to recover the outstanding amount. If the Government rent, including that accrued before change of ownership, is not paid, the Government is entitled to take back the property under the Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap 126). The owner will have to incur extra costs to get the property back.

This article is contributed by the Rating and Valuation Department.

Enquiry Hotline : 2152 0111 (handled by “1823”)

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Rating and Valuation Department
The Government of the Hong Kong Special Administrative Region

Introduction

The eRVD Bill service covers the quarterly demands issued around early January, April, July and October every year and also the surcharge demands. Registered users can retrieve and download their electronic demand by logging on our eRVD Bill system. Notification message will be sent to the registered user's MyGovHK account when an electronic demand is available.

Benefit

The eRVD Bill service is a great way to handle matters related to your rates and/or Government rent. There are numerous benefits:

- By receiving electronic demands, you can help saving paper and the environment;
- No delay or mail loss due to postage. You can receive your electronic demand via the Internet instantly;
- You will receive a notification message in your MyGovHK account when an electronic demand is available;
- The layout and content of an electronic demand are the same as those of a paper demand, and the electronic demand is easy to download and print;
- Your To-do List in MyGovHK will be automatically updated to remind you to pay on or before the due date;
- No more space is needed for keeping the paper demands;
- You can update the correspondence address or other personal details of your account online;
- You can easily retrieve the electronic demand of your account for the past 12 quarters (starting from the effective quarter after the successful registration of eRVD Bill service);
- You can enquire the payment history of your account up to the past 8 quarters (starting from the successful registration of eRVD Bill service);
- You can opt for demands in another language online;
- You can apply for consolidated account online;
- You can update individual tenement accounts under your consolidated account online;
- Hyperlink is provided for you to make online enquiry through RVD Enquiry Form Page; and
- You will receive notifications on completing and returning "Requisition for Particulars of Tenements" (Form R1A) electronically.



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Progressive rating system for domestic tenements

As announced in the 2024-25 Budget, rates for domestic tenements (including separately assessed domestic car parking tenements) will be calculated according to the following progressive rates charge scale* with effect from the 4th quarter of 2024-25 i.e. January to March 2025 whereas rates for April-December 2024 will continue to be charged at a uniform percentage charge of 5%.

<u>Rateable value of domestic tenements</u>	<u>Rates percentage charge</u>
First \$550,000	5%
Next \$250,000	8%
Remainder	12%

* Implementation of the progressive rating system is subject to passage of the relevant legislation

Payers may use the “Rates and Government Rent Calculator” on RVD’s website (www.rvd.gov.hk) to estimate the amount of rates and Government rent payable of the tenement concerned.