



**Fast Track Procedure for Processing the Second Appeals
Relating to Premium Assessment for Lease Modification Transactions⁽¹⁾**

Further to the issue of Practice Note Issue No. 1/2006, this Practice Note sets out the new procedure for fast tracking the processing of second appeals relating to premium assessment for lease modification transactions in pursuance of the efforts by the Administration and the industry for shortening the development approval process.

2. This new procedure will be implemented for a trial period of six months initially, as from the date of this Practice Note, to be followed by a review before any decision is taken on the way forward.

3. The details of the fast track procedure for processing second appeals are as follows: -

(i) Triggering of the Fast Track Procedure for Second Appeal

After a decision has been made by Valuation Conference (V. Conf.) on the **first premium appeal**, a binding offer of the revised premium assessment where appropriate will be made by the District Lands Office (DLO) to the applicant (hereinafter to be referred to as "**the Offer**"). If the applicant disagrees with the amount of the revised premium, he (or through his authorized agent) may submit an appeal in the usual way, i.e. within **three months** from the date the Offer was rejected. (*Note: The procedure for consideration of appeals on premium assessment has been laid down in para. (v) and (vi) of PN Issue No. 1/2006.*) **Alternatively**, the applicant may trigger the fast track procedure for processing **second appeal** by submitting a **counter offer** supported by justifications within **12 working days⁽²⁾** from the date of the Offer.

[*Note : To support this fast track procedure, the Offer (excluding the enclosures such as plans and special conditions, etc.) will be sent by fax to the applicant whereas the original of the offer letter together with the enclosures will be sent by post. Applicants may also arrange with the DLO to collect the offer letter by hand.]*

To facilitate parallel actions, the counter offer together with the justifications should be submitted concurrently to both the DLO and the Valuation Section in LandsD/HQ. The applicant should also highlight the justifications in his submission for quick and easy reference.

Once an appeal or a counter offer is submitted, the Offer will automatically lapse. Any re-assessment to be carried out will be at the value current at the time of re-assessment,⁽²⁾ which could be the same as, or higher or lower than, the premium previously offered.

(1) The reference to lease modification transactions includes lease modifications to be effected by way of land exchanges.

(2) The reference to working days excludes Saturdays, Sundays and public holidays.

(ii) Counter Offers qualified for Fast Track Procedure

On receipt of a counter offer together with justifications within the 12-working days period as specified in para. (i) above, the Valuation Section of LandsD/HQ will consider whether the counter offer is qualified for processing under the fast track procedure. If it is considered that it is not, the case will join the normal queue for appeals and be dealt with under the normal procedure. In either situation, the applicant will be notified in writing by fax and by post accordingly not later than 7 working days from the expiry of the 12-working days period.

While as a general rule, all cases that comply with the requirement referred to in (i) above for triggering the fast track procedure will be regarded as qualified cases, examples of cases not qualified for processing under the fast track procedure would include cases where (a) no justifications have been submitted; (b) no fresh justifications were submitted i.e. the same justifications have already been submitted by the applicant on the previous occasion when the first appeal was dealt with; (c) the justifications submitted would require follow up actions that could not be achieved within the time frame for processing appeals under the fast track procedure, e.g. policy clearance or legal advice would need to be obtained in the first place rendering actions for fast tracking impracticable; (d) amendments to the basic terms of the proposed lease modification transaction are being proposed, etc.

For a qualified counter offer to be processed under the fast track procedure, a binding basic terms offer will be made by the DLO to the applicant within 24 working days⁽²⁾ from the date of receipt of the counter offer by the Valuation Section.

In the event that the justifications are not submitted simultaneously with the counter offer but both the counter offer and the justifications are submitted within the 12-working days period mentioned in para. (i) above, the 24-working days period will only count from the date when both the counter offer and the justifications have been received by the Valuation Section. The applicant will be so notified in writing by fax and by post accordingly not later than 7 working days from the expiry of the 12-working days period.

(iii) Consideration of the Second Appeal

Prior to submission of the counter offer to V. Conf., the case officer in the Appeal Team of the Valuation Section will communicate with the applicant/agent at meeting(s) and/or over the phone on a no commitment and without prejudice basis. The case officer will exchange views with the applicant/agent on matters relevant to the premium assessment and at the final stage of this process, the case officer will confirm whether the agent has received any instruction from his clients to improve his counter offer of premium for the proposed lease modification transaction for incorporation into a submission to V. Conf. While clarifications on the justifications submitted may be made by the applicant/agent, normally, any further new evidence submitted after the expiry of the 12-working days period mentioned in para. (i) above may not be considered under the fast track procedure.

(iv) Attendance at Valuation Conference

The applicant/agent will be invited to attend the meeting of the V. Conf. to consider his counter offer. The case officer will present the case to Members of V. Conf. in the presence of the applicant/agent who will have the opportunity to elaborate on any arguments which he may have already put forward in his written counter offer. The applicant/agent may also improve his counter offer at the V. Conf. Consideration of the case by Members of the V. Conf. will take place after the applicant/agent has left the meeting.

(v) Issue of a Revised Offer

After the decision on the second appeal has been made by V. Conf., a response will be issued by the concerned DLO to the applicant by way of a binding basic terms offer. If the applicant disagrees with the amount of the premium contained in this revised offer, he may appeal against it. The fast track procedure will no longer be available to any such appeal and any subsequent appeals.

4. A flow chart highlighting the key steps referred to above is attached.

5. The above fast track procedure will only be applicable to cases for which the applicants have not yet been issued with a binding offer of premium assessment for their first appeal as at the effective date of this fast track procedure. For those cases for which a binding offer of premium assessment for the first appeal have already been issued and those on-going appeal cases which have already passed the second appeal stage as at the date when this new procedure is brought into effect, an option for triggering this fast track procedure will be given to those applicants who are issued with a binding offer of premium assessment after this procedure comes into effect. No such option will be given in any other subsequent offers for the same case.

6. The above procedure will be implemented on a trial basis for six months to expire on 11 January 2007. While it is our target to issue our response to the counter offer within the 24-working days period above mentioned and every effort will be made to meet this target, we cannot guarantee that this will be achieved in all cases. It is also possible that, during this trial period, processing of appeal cases under the normal procedure may take longer than would normally be expected. However, we will monitor the situation carefully. Upon the expiry of the trial period, we will carry out a review and consult our stakeholders before deciding on the way forward.

(Patrick L.C. LAU)
Director of Lands
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