

Legislative Amendments

The following pieces of legislation enacted during the year 2023-24 are related to matters under the purview of the Department.

Inland Revenue (Amendment) (Child Allowance and Tax Concessions) Ordinance 2023 (Ordinance No. 4 of 2023)

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the Budget for the 2023-24 financial year:

- To increase the basic child allowance from \$120,000 to \$130,000, and the additional child allowance in the year of birth from \$120,000 to \$130,000 for each child, starting from the year of assessment 2023-24; and
- To reduce the amounts of salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2022-23 by 100%, subject to a maximum of \$6,000 in each case.

Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Ordinance 2023 (Ordinance No. 8 of 2023)

This Ordinance amended the Inland Revenue Ordinance to provide profits tax concessions for eligible family-owned investment holding vehicles managed by eligible single family offices in Hong Kong and family-owned special purpose entities.

Stamp Duty (Amendment) (No. 2) Ordinance 2023 (Ordinance No. 10 of 2023)

This Ordinance amended the Stamp Duty Ordinance to give effect to a proposal in the Budget for the 2023-24 financial year to adjust the value bands of ad valorem stamp duty (AVD) (Scale 2 rates) chargeable on a conveyance on sale or an agreement for sale of any immovable property with effect from 11am on 22 February 2023.

Stamp Duty (Amendment) (No. 3) Ordinance 2023 (Ordinance No. 14 of 2023)

This Ordinance amended the Stamp Duty Ordinance to provide for a mechanism under which persons who are admitted into Hong Kong as Hong Kong residents under certain admission schemes and who acquire residential properties in Hong Kong not as Hong Kong permanent residents may apply for a refund of the Buyer's Stamp Duty (BSD) and certain amounts of AVD paid for the first residential property acquired and still held if those persons subsequently become Hong Kong permanent residents.

Betting Duty (Amendment) Ordinance 2023 (Ordinance No. 15 of 2023)

This Ordinance amended the Betting Duty Ordinance to give effect to a proposal in the Budget for the 2023-24 financial year to impose an annual special football betting duty of \$2.4 billion on the football betting conductor for five years from 2023-24 to 2027-28.

Insurance (Amendment) Ordinance 2023 (Ordinance No. 20 of 2023)

This Ordinance amended the Insurance Ordinance to provide a legal framework for the implementation of a risk-based capital regime for authorized insurers, and made related amendments to the Inland Revenue Ordinance to provide for the spreading over of tax implications and the tax arrangements arising from the implementation of the risk-based capital regime.

Limited Partnership Fund and Business Registration Legislation (Amendment) Ordinance 2021 (Commencement) Notice (Legal Notice No. 127 of 2023)

This Notice appointed 27 December 2023 as the commencement date of Part 3 of the Limited Partnership Fund and Business Registration Legislation (Amendment) Ordinance 2021.

Public Revenue Protection (Stamp Duty) (No. 2) Order 2023 (Legal Notice No. 148 of 2023)

This Order gave full force and effect of law to the Stamp Duty (Amendment) (Residential Properties) Bill 2023 (the 2023 Bill) before its enactment. The 2023 Bill sought to amend the Stamp Duty Ordinance to give effect to the proposals in the 2023 Policy Address to adjust the demand-side management measures for residential properties.

Stamp Duty (Amendment) (Stock Transfers) Ordinance 2023 (Ordinance No. 29 of 2023)

This Ordinance amended the Stamp Duty Ordinance to give effect to a proposal in the 2023 Policy Address to reduce the rate of stamp duty on stock transfers to 0.1% of the consideration or value of the transfers.

Inland Revenue (Amendment) (Taxation on Foreign-sourced Disposal Gains) Ordinance 2023 (Ordinance No. 32 of 2023)

This Ordinance amended the Inland Revenue Ordinance to refine Hong Kong's foreign-sourced income exemption regime by expanding the scope of assets in relation to foreign-sourced disposal gains to cover assets other than shares or equity interests and to provide for an intra-group transfer relief for such gains and profits.

Inland Revenue (Amendment) (Disposal Gain by Holder of Qualifying Equity Interests) Ordinance 2023 (Ordinance No. 33 of 2023)

This Ordinance amended the Inland Revenue Ordinance to give effect to the tax certainty enhancement scheme proposed in the Budget for the 2023-24 financial year to provide greater certainty of non-taxation of onshore gains on disposal of equity interests that are of capital nature.

Inland Revenue (Amendment) (Tax Deductions for Spectrum Utilization Fees) Ordinance 2024 (Ordinance No. 1 of 2024)

This Ordinance amended the Inland Revenue Ordinance to provide for tax deductions for spectrum utilization fees payable by mobile network operators on radio spectrum acquired on or after 19 January 2024.

Stamp Duty (Amendment) (Residential Properties) Ordinance 2024 (Ordinance No. 3 of 2024)

This Ordinance amended the Stamp Duty Ordinance to implement the adjustments to the demand-side management measures for residential properties as announced in the 2023 Policy Address, including shortening the applicable period of the Special Stamp Duty (SSD) from three years to two years; reducing the respective rates of the BSD and AVD at Part 1 of Scale 1 from 15% to 7.5%; and providing a mechanism under which persons who are admitted into Hong Kong as Hong Kong residents under certain admission schemes and who acquire residential properties in Hong Kong not as Hong Kong permanent residents may have the BSD and certain amounts of AVD waived if those persons subsequently become Hong Kong permanent residents.

Public Revenue Protection (Stamp Duty) Order 2024 (Legal Notice No. 26 of 2024)

This Order gave full force and effect of law to the Stamp Duty (Amendment) Bill 2024 (the 2024 Bill) before its enactment. The 2024 Bill sought to amend the Stamp Duty Ordinance to give effect to the proposals in the Budget for the 2024-25 financial year, i.e. any instrument executed on or after 28 February 2024 for the sale and purchase or transfer of residential properties are no longer subject to the SSD and BSD, and the AVD rate of 7.5% under Part 1 of Scale 1 is to be amended to the same as those of AVD at Scale 2.

Inland Revenue (Amendment) (Aircraft Leasing Tax Concessions) Ordinance 2024 (Ordinance No. 5 of 2024)

This Ordinance amended the Inland Revenue Ordinance to enhance the existing tax concessions regime regarding the leasing of aircraft, including providing qualifying aircraft lessors with tax deduction of the acquisition cost of aircraft; expanding the scope of the regime for eligible leases and the coverage of aircraft leasing activities; allowing deduction of interest payable for acquisition of aircraft and prescribing the threshold requirements for the regime to comply with the Organisation for Economic Co-operation and Development's requirement.

Business Registration Ordinance (Amendment of Schedule 2) Order 2024 (Legal Notice No. 28 of 2024)

This Order amended Schedule 2 to the Business Registration Ordinance to increase the branch registration fees from \$73 to \$80 for a 1-year certificate and from \$189 to \$208 for a 3-year certificate; and to waive the business registration levy of \$150 payable to the Protection of Wages on Insolvency Fund for two years, with effect from 1 April 2024.

Public Revenue Protection (Business Registration) Order 2024 (Legal Notice No. 29 of 2024)

This Order gave full force and effect of law to the provisions of the resolution of the Legislative Council (i.e. to increase of business registration fees from 1 April 2024) made under the Business Registration Ordinance before their enactment.

Business Registration Ordinance – Resolution of the Legislative Council (Legal Notice No. 38 of 2024)

This Resolution amended Schedule 1 to the Business Registration Ordinance to give effect to a proposal in the Budget for the 2024-25 financial year to increase the business registration fees from \$2,000 to \$2,200 for a 1-year certificate and from \$5,200 to \$5,720 for a 3-year certificate with effect from 1 April 2024.

Inland Revenue (Double Taxation Relief with respect to Taxes on Income and Prevention of Tax Evasion and Avoidance) Order

Country / Region	Date of Order	Nature
Republic of Mauritius	23 June 2023	Double Taxation Relief with respect to Taxes on Income and Prevention of Tax Evasion and Avoidance

Tax Reserve Certificates (Rate of Interest) (Consolidation) (Amendment) Notices

Legal notice no.	Periods in force	Annual rate of interest
93 of 2023	5 June 2023 to 6 August 2023	0.8083%
121 of 2023	7 August 2023 to 3 September 2023	0.8833%
122 of 2023	On or after 4 September 2023	0.9250%