



2023/24 Government Budget

**Subsidies, waivers, tax measures and
financing schemes**

28/02/2023

1. Subsidies, waivers and concessions

Subsidies, waivers and concessions

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| ✓ Electronic consumption vouchers | Provide electronic consumption vouchers by instalments with a total value of HK\$5,000 to each eligible Hong Kong permanent resident and new arrival aged 18 or above in two instalments. |
| ✓ Electricity subsidy | Grant each eligible residential electricity account a subsidy of HK\$1,000. |

2. Tax measures

Tax Measures

✓ Profits tax and salaries tax reliefs

Reduce profits tax and salaries tax for 2022/23 by 100%, subject to a HK\$6,000 ceiling. The proposed tax reduction is not applicable to property tax. Nevertheless, individuals with rental income, if eligible for personal assessment, may be able to enjoy such a reduction under personal assessment.

✓ Stamp duty rates

Adjust value bands of the ad valorem stamp duty payable for sale and purchase or transfer of residential and non-residential properties (Rates at Scale 2) to ease burden on ordinary families of purchasing their residential properties, particularly small and medium residential units.

2. Tax measures

Tax Measures

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| ✓ Child allowance | From the 2023/24 assessment year, increase the basic child allowance and the additional child allowance for each child born during the year of assessment from \$120,000 to \$130,000. |
| ✓ Intellectual Property Trading | Introduce a “patent box” tax incentive to encourage the I&T sector to create more patented inventions. |
| ✓ Special deduction for voluntary MPF paid for elderly employees | Increase the tax deduction for the Mandatory Provident Fund voluntary contributions made by employers for their employees aged 65 or above, from 100% to 200%. |

2. Tax measures

Tax Measures

✓ Disposal of Equity Interests	The Government will put forward an enhancement proposal in mid-March to provide clearer guidelines on whether onshore gains on disposal of equity interests are subject to tax.
✓ Global minimum effective tax rate on MNC	To apply the global minimum effective tax rate on large multinational enterprise groups and implement the domestic minimum top-up tax starting from 2025 onwards.
✓ Tax deduction for spectrum utilisation fees	The Government will provide a tax deduction for the spectrum utilisation fees to be paid by the future successful bidders of radio spectrum.

3. Rates system and concessions

Subsidies, waivers and concessions

✓ Rates concession

Provide rate concessions for

- non-domestic properties for the two quarters of 2022/23, subject to a ceiling of HK\$1,000 per quarter.
- for domestic properties for the two quarters of 2022/23, subject to a ceiling of HK\$1,000 per quarter.

✓ Progressive system

A progressive rating system for domestic properties will be introduced in 2024-25.

4. Financing scheme

Financing Scheme

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| ✓ SME Financing Guarantee Scheme | Extend the application period of all guarantee products under the SME Financing Guarantee Scheme to March 2024 |
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Contact

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