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Tricor operating companies that provide core services in China & Hong Kong:

Tricor Services Limited
Tricor Consultancy (Beijing) Limited
Tricor Investor Services Limited

Global Provider of Integrated Business, Corporate & Investor Services

TECH news

HONG KONG BUDGET SUMMARY 2017/18

Hong Kong 2017/18 Budget Highlights

Profits Tax

- No change in profits tax rates
- Plan to offer tax concession on aircraft leasing and financing
- Propose extending profits tax exemption to onshore privately-offered open-ended fund companies

Salaries Tax

- No change in salaries tax rates
- Widen the marginal tax bands by 12.5% to HK\$45,000
- Increase disabled dependent and dependent brother/sister allowances by 13.6%
- Increase the deduction ceiling for self-education expenses by 25%
- Extend the entitlement period for tax deduction for home loan interest from 15 to 20 years of assessment
- Examine providing a tax deduction for the purchase of regulated health insurance products

One-off tax measures

- Reduce profits tax for 2016/17 by 75%, subject to a ceiling of HK\$20,000

- Reduce salaries tax and tax under personal assessment for 2016/17 by 75%, subject to a ceiling of HK\$20,000

Other measures

- Waive rates for the four quarters of 2017/18, subject to a ceiling of HK\$1,000 per quarter for each rateable property
- Waive licence fees for travel agents, hotels, guesthouses, restaurants, hawkers and operators with restricted food permits for 1 year
- Extend application periods for concessionary measures under the SME Financing Guarantee Scheme to 28 February 2018 and the Dedicated Fund on Branding, Upgrading and Domestic Sales to June 2022
- Issuance of a second batch of silver bonds
- Pay one extra month to recipients of Comprehensive Social Security Assistance / Old Age Allowance / Old Age Living Allowance / Disability Allowance. Similar arrangements will apply to Low-income Working Family Allowance and Work Incentive Transport Subsidy
- Earmark HK\$300 million to allow property owners to participate in the "Smart Tender" Building Rehabilitation Facilitating Service Scheme at concessionary rates
- Extend waiver of first registration tax of electric commercial vehicles, motor cycles and motor tricycles to 31 March 2018 and cap at HK\$97,500 for electric private cars from 1 April 2017

The following tables summarize the principal tax rates for Hong Kong, with changes highlighted in bold italics.

Tax Rates		2017/18	2016/17	2017/18	2016/17
Salaries Tax			Profits Tax		
Progressive rates		Progressive rates		Companies	16.5%
First HK\$45,000	2%	First HK\$40,000	2%	Unincorporated businesses	15%
Next HK\$45,000	7%	Next HK\$40,000	7%	Property Tax	
Next HK\$45,000	12%	Next HK\$40,000	12%	Non-corporate owners	15%
On the remainder	17%	On the remainder	17%	Corporate lessors are subject to profits tax	15%
Standard rate	15%	Standard rate	15%		

Personal Allowances and Deductions		2017/18	2016/17	2017/18	2016/17
		HK\$	HK\$	HK\$	HK\$
Personal Allowances:			Dependent parent/grandparent		
Basic		132,000	132,000	(aged between 55-59):	
Married		264,000	264,000	Not residing with taxpayer	23,000
Single parent		132,000	132,000	Residing with taxpayer	46,000
Child:				Deductions:	
1 st to 9 th child (each)				Maximum deduction for amount paid for:	
year of birth		200,000	200,000	Self-education expenses	100,000
other years		100,000	100,000	Home loan interest*	100,000
Dependent brother/sister		37,500	33,000	Elderly residential care expenses	92,000
Disabled dependent		75,000	66,000	Contributions to recognized retirement schemes	18,000
Dependent parent/grandparent (aged 60 or above):				Approved charitable donations	35% of assessable income
Not residing with taxpayer		46,000	46,000		35% of assessable income
Residing with taxpayer		92,000	92,000		

** Extended from 15 to 20 years of relief in total*

Stamp Duty	Scale 1	Scale 2	New	Duty rate
	duty rates ^{1,2}	duty rates ^{1,3}	Proposed duty rates ²	
On Sale or Transfer of Immovable Property in Hong Kong				Special Stamp Duty
Property consideration				On disposal of residential properties:
Up to HK\$2,000,000	1.5%	HK\$100	15%	Acquired on or after 27 October 2012 and resold within 36 months
HK\$2,000,001 - HK\$3,000,000	3.0%	1.50%	15%	
HK\$3,000,001 - HK\$4,000,000	4.5%	2.25%	15%	Additional Buyer's Stamp Duty on residential properties acquired by any person other than a Hong Kong permanent resident on or after 27 October 2012
HK\$4,000,001 - HK\$6,000,000	6.0%	3.00%	15%	15%
HK\$6,000,001 - HK\$20,000,000	7.5%	3.75%	15%	
HK\$20,000,001 or above	8.5%	4.25%	15%	
Note				
1 Subject to marginal relief				
2 Subject to amendment of Stamp Duty Ordinance, flat rate of 15% will apply to instruments executed on or after 5 November 2016 for the sale and purchase or transfer of residential property in place of Scale 1 duty rates unless the condition in note 3 is satisfied				
3 Applicable to a Hong Kong permanent resident who does not own any other residential property in Hong Kong at the time of acquisition and subject to certain other circumstances				
				2017/18
				2016/17
On Hong Kong Stock*				0.2%
				0.2%

** All exchange traded funds are exempt from stamp duty with effect from 13 February 2015*

Business Registration Fees	2017/18	2016/17*
	HK\$	HK\$
1-year certificate fee + levy	2,250	250
3-year certificate fee + levy	5,950	3,950

* The business registration fee for 2016/17 was waived

Legislative proposals do not become law until their enactment and may be modified by the Legislative Council before enactment.

The information on this rates card is not exhaustive and contains only a brief summary of the principal tax rates. Please contact a Tricor executive or email info@hk.tricorglobal.com for assistance and enquiries.

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CONTACTS

Shirley Tsang

Head of Business Services - China & Hong Kong

Tel: (852) 2980 1298 Email: shirley.tsang@hk.tricorglobal.com

Richard Beattie

Director - Business Services

Tel: (852) 2980 1952 Email: richard.beattie@hk.tricorglobal.com

Adwina Tse

Senior Manager - Business Services

Tel: (852) 2980 1273 Email: adwina.tse@hk.tricorglobal.com

OFFICE

Tricor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

Tel: (852) 2980 1888

Fax: (852) 2861 0285

Email: info@hk.tricorglobal.com

Website: www.hk.tricorglobal.com