

Current Tax System

Serial Number	Taxes	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Income Taxes				
1	Profits tax	Corporations, partnerships, trustees and bodies of persons carrying on any trade, profession or business in Hong Kong.	Profits arising in or derived from Hong Kong from that trade, profession, or business.	<p>For corporations, the profits tax rate for the first HKD 2 million is 8.25%, while the standard profits tax rate of 16.5% remains for profits exceeding HKD 2 million.</p> <p>For unincorporated businesses, the profits tax rate for the first HKD 2 million is 7.5%, while the standard profits tax rate of 15% remains for profits exceeding HKD 2 million.</p>
2	Salaries tax	Individuals are subject to salaries tax on all income arising in or derived from Hong Kong from any office or employment of profit, and pension.	Income arising in or derived from Hong Kong from any office or employment of profit, and pension.	<p>Progressive tax rates</p> <ul style="list-style-type: none"> - The Salaries tax is calculated based on a progressive rate system with the following rates and bands: <ul style="list-style-type: none"> - 2% on the first HKD 50,000 of income. - 6% on the next HKD 50,000 of income. - 10% on the next HKD 50,000 of income. - 14% on the next HKD 50,000 of income. - 17% on the remainder. <p>Standard rate</p> <ul style="list-style-type: none"> - Alternatively, salaries tax can be calculated at a standard rate of 15% on the net total income (i.e., after deductions and without allowances), if this method results in a lower tax liability. - From the year of assessment 2024/25 and onwards, there will be two-tiered standard rates, with first HKD 5,000,000 of net income charging at 15% and remaining at 16%.

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Property and Behavior Taxes				
3	Property tax	Owners of land and /or buildings in Hong Kong who derived rental income.	Net assessable value of the land/buildings	15%
4	Rates	Both the owner and the occupier are liable for rates. In practice, this will depend on the terms of the agreement between the owner and occupier of the premises. In the absence of any agreement to the contrary, liability for rates rests with the occupier.	Estimated annual rental value of a property at the designated valuation reference date of 1 October.	For the financial year 2024/25: - For non-domestic tenements, the rates percentage charge is 5%. - For domestic tenements with rateable value of HKD 550,000 or below, the rates percentage charge is 5%. - For domestic tenements with rateable value of over HKD 550,000, the rates percentage charge for the first to third quarters of 2024-25 is 5%. With effect from the fourth quarter, i.e. January to March 2025, rates are calculated according to the progressive rates charge, with 5% on the first HKD550,000, 8% on the next HKD250,000 and 12% on the remainder.
5	Stamp duty	<p>- Property transactions: both buyer and seller should pay stamp duty including ad valorem stamp duty (AVD).</p> <p>- Stock transfers: both buyer and seller should pay stamp duty.</p> <p>- Lease agreements: both landlord and tenant should pay stamp duty.</p>	<p>- Property transactions: the tax base of AVD is the consideration or market value of the property (whichever is higher).</p> <p>- Stock transfers: the tax base is consideration (or the market value if it is higher) of the stock transfer transaction.</p> <p>- Lease agreements: the tax base is the annual rent.</p>	<p>- Property transactions: AVD progressive rates ranging from HKD 100 (for property consideration of up to HKD 3 million) to 4.25% (for property consideration exceeding HKD 21,739,120).</p> <p>- Stock transfers: the rate is 0.1% of the amount of consideration or of its value on every sold note and every bought note.</p> <p>- Lease agreements: the applicable rate ranges from 0.25% (for lease period of not more than one year) to 1% (for lease period of more than three years).</p>
6	Excise duties	Any person who wishes to import certain dutiable commodities (i.e. tobacco, liquor, methyl alcohol, and hydrocarbon oil).	The tax base is defined by specific categories of dutiable commodities and is determined by the quantity, value, or specific characteristics of the goods.	The specific rates for each category of goods are set by the Hong Kong Government and can be updated periodically. The rates are generally published on the Customs and Excise Department's website and in relevant government notices.