

2024-25

年報 Annual Report



治稅以法 服務以誠

Tax by the Law

Service from the Heart



Inland Revenue Department

The Government of the Hong Kong Special Administrative Region
of the People's Republic of China

Vision, Mission and Values

VISION

We aim to be an excellent tax administration that plays an important part in promoting Hong Kong's prosperity and stability.

MISSION

We are committed to –

- collecting revenue efficiently and cost-effectively;
- providing courteous and effective service to the taxpaying public;
- promoting compliance through rigorous enforcement of law, education and publicity programmes; and
- enabling staff to acquire the necessary knowledge, skills and attitude so that they can contribute their best to the achievement of our vision.

VALUES

Our core values are –

- Professionalism
- Efficiency
- Responsiveness
- Fairness
- Effectiveness
- Courtesy
- Teamwork

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chapter 1

Commissioner's Foreword



It is my honour to succeed Mr TAM Tai-pang as the Commissioner and report the 2024-25 Annual Report of the Inland Revenue Department.

In the year 2024-25, the total revenue collected by the Department was \$374.5 billion which represents an increase of \$32.5 billion or 9.5% as compared with the previous year. The increase mainly came from profits tax, salaries tax and stamp duty for stock transactions.

Hong Kong's moderate economic growth resulted in a 4.2% increase in profits tax collection. The reduction in the maximum amount of tax reduction for the year of

assessment 2023-24, combined with continued wages and earnings growth, contributed to a rise of 11.3% in salaries tax collection. Whilst the residential property market remained subdued in 2024, the local stock market experienced a strong rebound in the year leading to an overall upsurge of 30.1% in stamp duty collection.

To implement various tax measures proposed in the 2023 Policy Address and the 2024-25 Budget, the following amendment bills were enacted during 2024-25:

- The Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Ordinance 2024 implemented, among others, a two-tiered standard rates regime for salaries tax and tax under personal assessment, and to increase the deduction ceiling amounts for home loan interest and domestic rents for eligible taxpayers with new born children.
- The Inland Revenue (Amendment) (Tax Concessions for Intellectual Property Income) Ordinance 2024 provided tax concessions for qualifying profits sourced in Hong Kong and derived from eligible intellectual properties created through research and development activities.

- The Stamp Duty Legislation (Miscellaneous Amendments) Ordinance 2024 waived the stamp duty payable on the transfer of shares or units of real estate investment trusts and on transactions amounting to jobbing business of options market makers.
- The Inland Revenue (Amendment) (Tax Deductions for Leased Premises Reinstatement and Allowances for Buildings and Structures) Ordinance 2024 introduced a deduction for expenses incurred for reinstating the condition of leased premises to their original condition under profits tax, and removed the time limit for claiming annual allowances in respect of industrial/commercial buildings or structures.
- The Inland Revenue (Amendment) (Tax Deductions for Assisted Reproductive Service Expenses) Ordinance 2025 introduced a deduction for assisted reproductive service expenses under salaries tax and personal assessment.

With a view to easing the burden of buyers of residential and non-residential properties at lower values, the maximum value of properties chargeable to \$100 stamp duty are raised from \$3 million to \$4 million with effect from February 26, 2025 as announced in the 2025-26 Budget. The Stamp Duty (Amendment) Ordinance 2025 was enacted in May 2025 to give effect to the proposal.

In order to fulfil Hong Kong's international obligation to tackle cross-border tax evasion and safeguard our taxing rights, the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 was enacted to implement the global minimum tax in accordance with the Base Erosion and Profit Shifting (BEPS) 2.0 framework promulgated by the Organisation for Economic Co-operation and Development, and a related Hong Kong minimum top-up tax from 2025 onwards.

In 2024-25, Hong Kong has continued the efforts to expand its tax treaty network, and entered into tax treaties with Armenia and Türkiye. Besides, Hong Kong conducted negotiations of tax treaties with Venezuela, Rwanda, Barbados and completed the second round of negotiations with Kyrgyzstan. As at 31 March 2025, Hong Kong has signed comprehensive avoidance of double taxation agreements/arrangements with 51 jurisdictions. Hong Kong will continue to engage other tax jurisdictions in negotiating comprehensive avoidance of double taxation agreements so as to expand the tax treaty network.

The 5th Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF) was hosted by the Department at the AsiaWorld-Expo from 24 to 26 September 2024. It is the first time that Hong Kong has hosted this annual mega event in the international tax community. The 5th BRITACOF is particularly meaningful as it was the largest event ever hosted by the Department since its establishment. The 5th BRITACOF



attracted about 500 tax officials, tax experts, as well as representatives from international organisations, academic institutions and enterprises from nearly 50 countries and regions to discuss emerging tax issues and exchange tax administration experiences under the theme “Deepening Tax Administration Cooperation for High-Quality Belt and Road Development”. The exchange of tax administration experiences has deepened relations among countries and regions, contributing to the high-quality Belt and Road development. Hong Kong also took the opportunity of the 5th BRITACOF to deepen tax co-operation within the Guangdong-Hong Kong-Macao Greater Bay Area and facilitates Hong Kong’s active integration into the overall national development.

The year 2024-25 was a busy and fulfilling one. In addition to handling tax assessment and collection matters, my colleagues devoted their efforts to organising the 5th BRITACOF, which was successfully held. At the same time, my colleagues also carried out various preparatory works for the implementation of the BEPS 2.0 and the New Tax Portals launched in July 2025. I wish to express my hearty thanks to my colleagues for their dedication and hard work in achieving various goals. As we always do, we are committed to facing challenges with professionalism and positive attitude and providing high-quality services to the public.

CHAN Sze-wai, Benjamin

Commissioner of Inland Revenue

chapter 2

Revenue

In 2024-25, the Inland Revenue Department collected \$374.5 billion, which represents an increase of \$32.5 billion or 9.5% as compared with the previous year. The increase mainly came from salaries tax and stamp duty. Salaries tax and stamp duty collections increased by 11.3% to \$88.9 billion and 30.1% to \$63.9 billion respectively. Profits tax collections also increased by 4.2% to \$177.7 billion. An analysis of the revenue collected by tax type is provided in **Figure 1**.

Figure 1 Revenue collected by tax type

Type of tax	2021-22 (\$m)	2022-23 (\$m)	2023-24 (\$m)	2024-25 (\$m)
Profits tax -				
Corporations	162,088.1	167,087.9	162,198.6	170,347.3
Unincorporated businesses	5,247.5	7,124.6	8,299.1	7,340.6
Salaries tax	75,570.2	79,490.4	79,869.8	88,878.8
Property tax	3,984.5	3,842.2	3,906.4	3,983.6
Personal assessment	6,457.3	6,719.8	7,321.9	8,223.3
Total earnings & profits tax	253,347.6	264,264.9	261,595.8	278,773.6
Estate duty	1.9	8.8	10.2	10.0
Stamp duty	99,677.3	69,976.5	49,111.7	63,880.2
Betting duty	25,432.2	25,823.9	28,467.0	28,511.7
Business registration fees	57.3	128.9	2,816.1	3,326.7
Total revenue collected	378,516.3	360,203.0	342,000.8	374,502.2
% change over previous year	14.4%	-4.8%	-5.1%	9.5%



The revenue collected by the Department during 2024-25 accounted for 60.1% of the Government General Revenue (**Figure 2**). Profits tax and salaries tax contributed 71.2% of the total revenue collected while stamp duty made up a further 17.1% (**Figure 3**).

In 2024-25, the cost of collection remained at 0.6% (**Figure 4**).

Figure 2 Government General Revenue

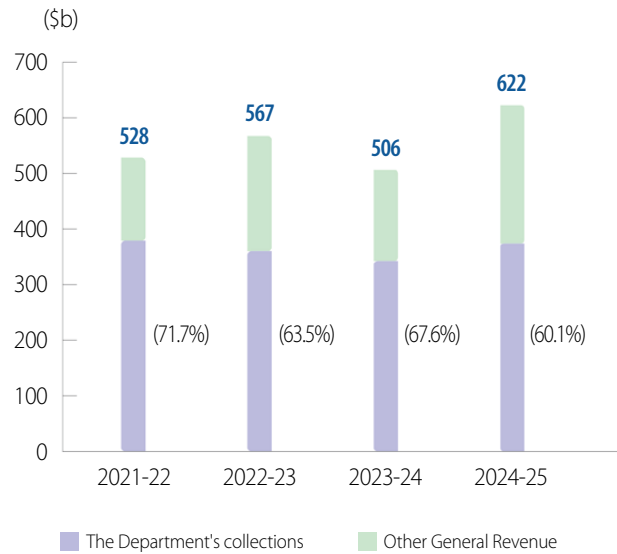


Figure 3 Composition of the revenue collections

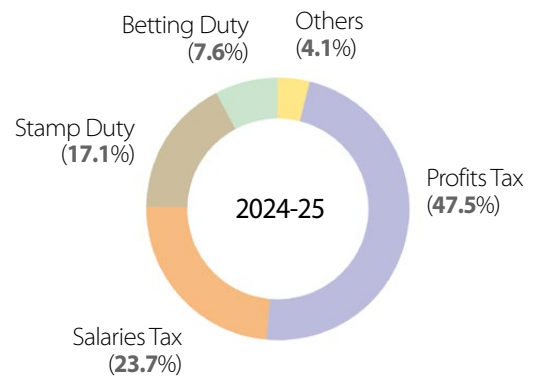
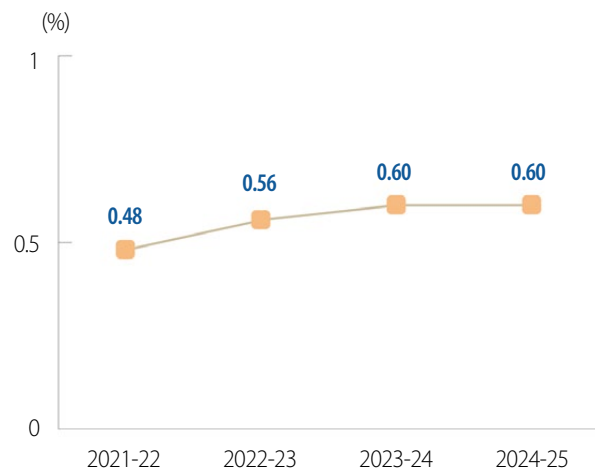


Figure 4 Cost of collection



chapter 3

Assessing Functions

The Department raises revenue through taxes, duties and fees in accordance with the relevant legislation. Earnings and profits tax are assessed by reference to the incomes / profits of the taxpayers in the previous year, whereas duties and fees are charged at the time the relevant activities occur. For 2024-25, earnings and profits tax assessed increased by \$28.2 billion (10.9%) (**Schedule 2**) as compared with the previous year. The total amount of duties and fees collected increased by \$15.3 billion (19.1%).

Profits Tax

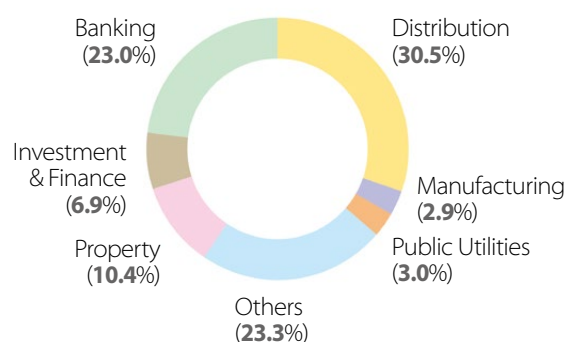
Profits tax is levied on individuals, corporations, bodies of persons and partnerships, in respect of assessable profits arising in or derived from Hong Kong. For the year of assessment 2023-24, the two-tiered profits tax rates remain unchanged. The profits tax rate for the first \$2 million of assessable profits is 8.25% for corporations and 7.5% for unincorporated businesses. Profits above that amount are subject to the tax rate of 16.5% and 15% respectively. For two or more connected entities, only one of them may elect for the two-tiered profits tax rates. The amount of profits tax assessed in 2024-25 was \$180.6 billion, which was \$18.7 billion (11.6%) more than that of the previous year (**Figure 5**).

The amounts of final tax assessed in respect of different business sectors are shown in **Schedules 3** and **4**. Of the total final tax assessed on corporations for the year of assessment 2023-24, the property, financial and banking sectors together contributed 40.3% and the distribution sector generated 30.5% (**Figure 6**).

Figure 5 Profits tax assessed



Figure 6 Ratios of corporation profits tax assessed under 2023-24 final assessments by business sectors

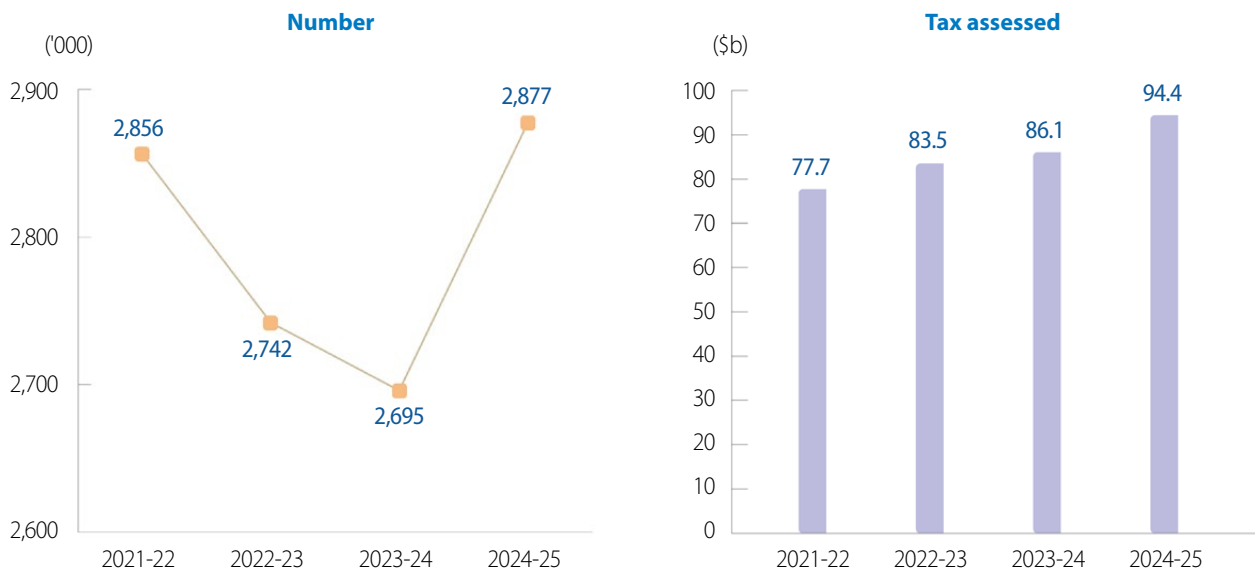


Salaries Tax

Salaries tax is charged on all incomes from any office (e.g. a directorship) or employment and pension arising in or derived from Hong Kong. The total amount of tax payable is restricted to the standard rate (15%) on the net total income (without deduction of allowances) of the individual concerned.

As compared with the previous year, the number of salaries tax assessments made during 2024-25 increased by 6.8%. The rise in wages and earnings, coupled with the lowering of the ceiling of tax reduction for each salaries tax case by 50% to \$3,000, had led to a 9.6% increase in the amount of tax assessed (**Figure 7**).

Figure 7 Salaries tax assessments



Analyses of salaries tax assessments and allowances granted in respect of taxpayers at various income levels for the year of assessment 2023-24 are provided in **Schedules 5** and **6**.

The gender ratio of the salaries taxpayers for the year of assessment 2023-24 is 53.2% male and 46.8% female (**Figure 8**).

For the year of assessment 2023-24, the number of standard rate taxpayers decreased by 200 to 26,719. These taxpayers together contributed 27.8% of the final salaries tax assessed, a decrease of 3% compared with last year (**Figure 9**).

Figure 8 Salaries taxpayers for the year of assessment 2023-24 by gender

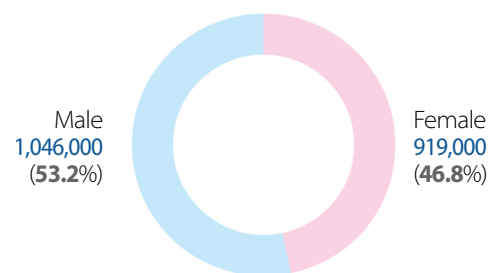


Figure 9 Salaries Tax - standard rate taxpayers

Percentage of total number of taxpayers

Year of Assessment	2022-23	2023-24
Total number of taxpayers	1,833,827	1,965,135
Standard rate taxpayers	26,919	26,719
Percentage	1.5%	1.4%

Percentage of total final tax assessed

Year of Assessment	2022-23	2023-24
Total final tax assessed (\$m)	83,079	88,973
Final tax contributed by standard rate taxpayers (\$m)	25,601	24,742
Percentage	30.8%	27.8%

Notification Requirements of Employers

Employers are required to notify the Department of commencements and cessations of employment as well as employees' impending departure from Hong Kong for more than 1 month. Besides, employers are required to prepare annual employer's returns to report the emoluments of each of their employees. During the year, 388,985 employers filed employer's returns with the Department.

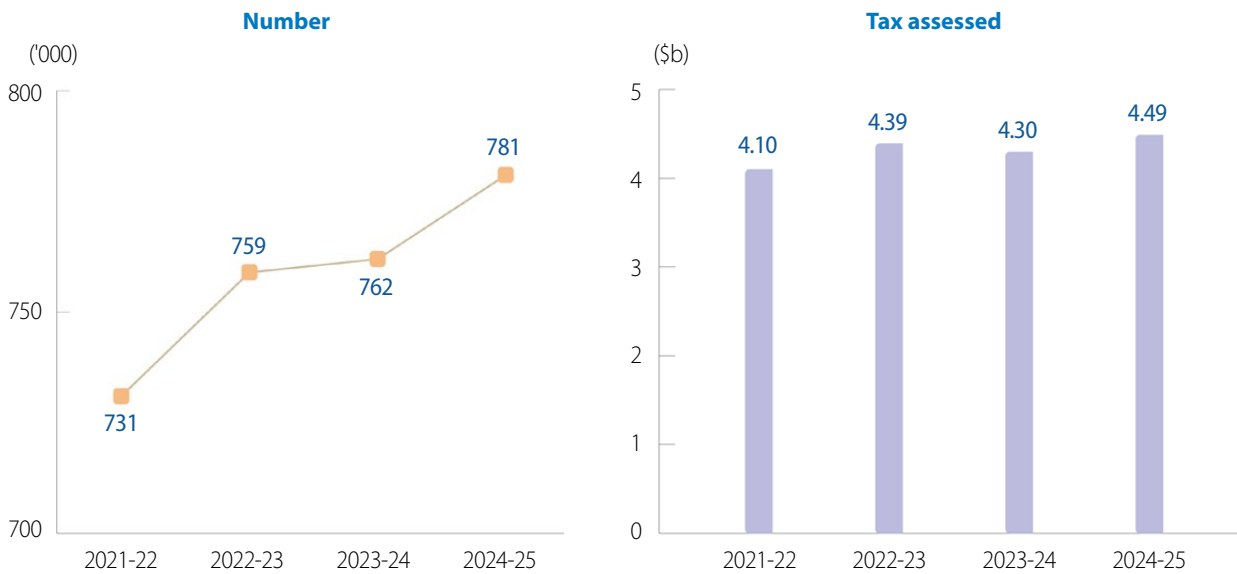
The Department provides e-Seminars and disseminates tax information to employers on the IRD website to help them understand the relevant statutory requirements. The contents cover completion of employer's returns, employer's obligations and answers to frequently asked questions. Employers can also obtain specimens of completed employer's returns and notifications through the Fax-A-Form service.

Property Tax

Property owners (including corporations) are subject to property tax which is charged at the standard rate (15%) in respect of the net assessable value of the property. Rents received from properties solely owned by individuals should be declared in Tax Returns - Individuals (BIR60); whilst rents received from properties jointly owned or co-owned by individuals or properties held by corporations / bodies of persons should be declared in Property Tax Returns (BIR57 / BIR58). Property owners that pay property tax in respect of premises used for their businesses can have such payments set off against their profits tax liabilities. For corporations, income arising from properties owned by them is also subject to profits tax at the corporation rate. To obviate the need for yearly set-off of property tax against profits tax, a corporation can apply for exemption of property tax on the property concerned.

Statistics on the classification of properties and classification by number of owners, based on the records of the Department, are provided in **Schedule 7**. The number of assessments made in 2024-25 was more than that in the previous year by 2.5%. The amount of property tax assessed increased by 4.4% (**Figure 10**).

Figure 10 Property tax assessments

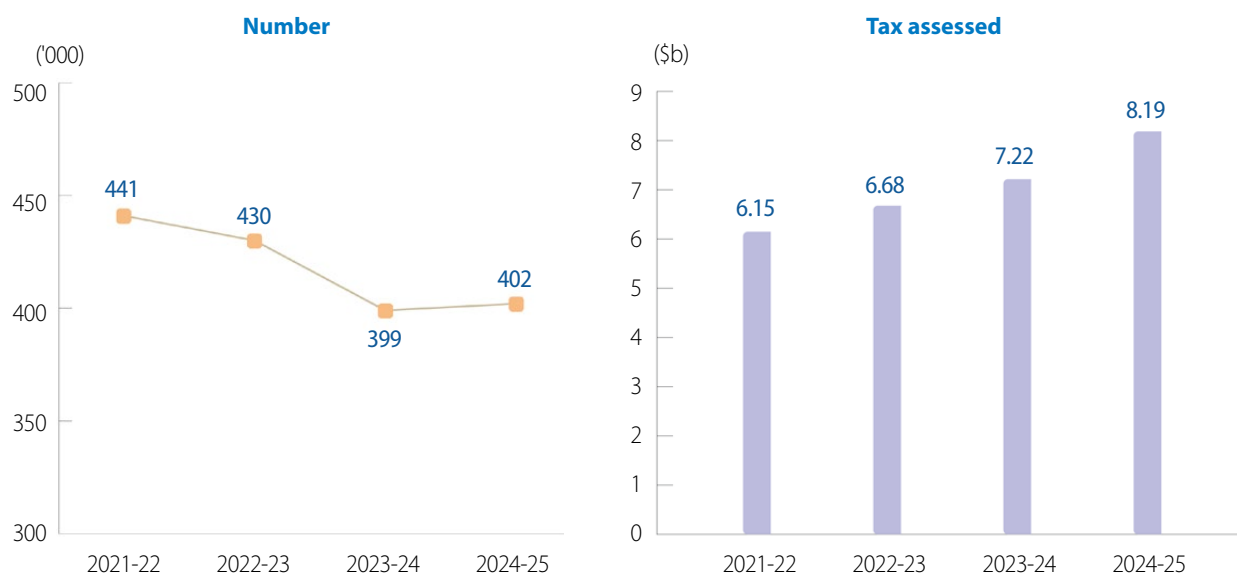


Personal Assessment

If an individual has income chargeable to profits tax and/or property tax, the individual may elect for personal assessment. Under personal assessment, all the incomes of the taxpayer are aggregated and, after deduction of allowances, are assessed at the progressive tax rates applicable to salaries tax. From the year of assessment 2018-19 onwards, a married person may elect for personal assessment separately from or jointly with the person's spouse. In appropriate circumstances, this would reduce the tax liability of the taxpayer or the total tax liability of the taxpayer and the taxpayer's spouse.

As compared with the previous year, the number of personal assessments made in 2024-25 increased by 0.7% and the amount of tax assessed was 13.4% higher (**Figure 11**).

Figure 11 Assessments made under personal assessment



Advance Rulings

Taxpayers may apply for an advance ruling on how a provision of the Inland Revenue Ordinance applies in relation to a particular arrangement. A fee is charged for the service on a “cost recovery” basis. The applicant is required to pay an initial application fee of \$45,000 for a ruling concerning the application of the “Territorial Source Principle” in a profits tax case, or \$15,000 for a ruling on any other matter. An additional fee is payable if the processing time exceeds the specified limit. The Department endeavours to respond within 6 weeks of the date of application, provided that all relevant information is supplied with the application and further information from the applicant is not required.



During 2024-25, the Department completed the processing of 308 advance ruling applications (**Figure 12**). Most of the applications were for rulings on profits tax matters.

Figure 12 Advance rulings

	2023-24 Number	2024-25 Number
Awaiting decision at the beginning of the year	14	72
Add: Applications received during the year	286	305
	300	377
Less: Disposed of -		
Rulings made	222	286
Applications withdrawn	6	21
Rulings declined	0	1
	228	308
Awaiting decision at the end of the year	72	69

Objections

A taxpayer who is aggrieved by an assessment may lodge a notice of objection to the Commissioner within the prescribed time limit. If the objection is against an estimated assessment raised in the absence of a tax return, a properly completed return, together with the supporting accounts where applicable, must also be accompanied with the notice of objection. A significant proportion of the objections received each year arise from estimated assessments. Most of these objections are settled promptly by reference to the returns subsequently received. Many of the other types of objections are also settled by agreement between the taxpayers and the assessors concerned. Only relatively few objections are ultimately referred to the Commissioner for determination. During 2024-25, the Department completed the processing of 134,296 objections (**Figure 13**).

Figure 13 Objections

	2023-24		2024-25	
	Number		Number	
Being processed at the beginning of the year	40,622		43,349	
Add: Received during the year	<u>115,361</u>		<u>135,506</u>	
	155,983		178,855	
Less: Disposed of -				
Settled without determination	112,251		133,892	
Determinations:				
Assessments confirmed	191		215	
Assessments reduced	93		107	
Assessments increased	92		80	
Assessments annulled	<u>7</u>	<u>383</u>	<u>112,634</u>	2 404 134,296
Being processed at the end of the year	<u>43,349</u>		<u>44,559</u>	

Appeals to the Board of Review

A taxpayer who is dissatisfied with the Commissioner’s determination of his objection may appeal to the Board of Review (Inland Revenue Ordinance) (the Board). The Board is an independent statutory body. As at 31 March 2025, the Board consisted of a chairman and 6 deputy chairmen, who have legal training and experience, as well as 67 members. During 2024-25, the Board settled 33 appeal cases (**Figure 14**).

Figure 14 Appeals to the Board of Review

	Number	
Awaiting hearing or decision as at 1 April 2024	26	
Add: Received during the year	<u>30</u>	
	56	
Less: Disposed of -		
Withdrawn	10	
Decided:		
Assessments confirmed	8	
Assessments reduced in full	0	
Assessments reduced in part	9	
Assessments increased	<u>6</u>	<u>23</u> <u>33</u>
Awaiting hearing or decision as at 31 March 2025	<u>23</u>	

Appeals to the Courts

A decision of the Board is final, provided that either the taxpayer or the Commissioner may, pursuant to section 69 of the Inland Revenue Ordinance, appeal to the Court of First Instance against the Board's decision on a question of law. Before 1 April 2016, taxpayers or the Commissioner could only appeal to the Court by way of case stated from the Board. With effect from that date, the case stated procedure was abolished and no appeal may be made unless leave to appeal has been granted by the Court, on the application of the taxpayer or the Commissioner.

During 2024-25, the Court of First Instance disposed of 4 appeals of which 2 appeals were withdrawn by taxpayers by way of consent. In an appeal related to source of profits, the Court remitted the case to the Board for a new hearing. In another appeal concerning the deductibility of management fees to a related company, the Court ruled against the taxpayer and the taxpayer has appealed to the Court of Appeal.

During the year, the Court of Appeal handed down a judgement concerning the locality of royalty income. The Court ruled that part of the royalty income was not derived from Hong Kong and ordered a remittal of the case to the Board to consider apportionment of onshore and offshore income.

The Hong Kong Court of Final Appeal Ordinance provides that, a taxpayer or the Commissioner may, with the leave of the Court of Appeal or the Court of Final Appeal, appeal against the judgment of the Court of Appeal. During 2024-25, there was no tax appeal to the Court of Final Appeal.

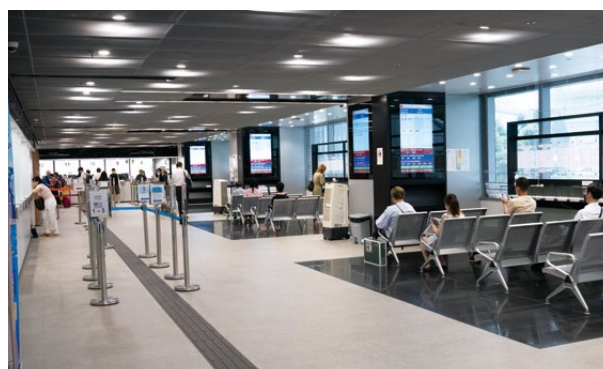
Figure 15 sets out the statistics concerning appeals to the Courts during 2024-25.

Figure 15 Appeals to the Courts

	Court of First Instance	Court of Appeal	Court of Final Appeal	Total
Awaiting hearing or decision as at 1 April 2024	6	2	0	8
Add: Lodged during the year	1	1	0	2
	7	3	0	10
Less: Disposed of	4	1	0	5
Awaiting hearing or decision as at 31 March 2025	3	2	0	5

Business Registration

The Department aims to maintain an efficient business registration system. A person carrying on a business in Hong Kong must register the business and pay the required fee and levy. The number of business registrations as at 31 March 2025 stood at 1,591,678. It was 13,771 more than that as at 31 March 2024 (**Figure 16**).



Business registration certificates are generally valid for one year, but businesses may elect for 3-year certificates. As at 31 March 2025, 33,529 businesses held 3-year certificates.

The amount of business registration fees and penalties collected in 2024-25 increased to \$3,327 million. It represents an increase of 18.1% compared with last year (**Figure 17**). Business registration statistics are set out in **Schedule 8**.

Under the Business Registration Ordinance, a small business with average monthly sales or receipts below a specified limit (\$10,000 for businesses deriving profits mainly from the sale of services, and \$30,000 for other businesses) can apply for exemption from payment of the business registration fee and levy. Where an application for exemption is not allowed, the business operator may appeal to the Administrative Appeals Board. The number of exemptions granted during 2024-25 was 21,750, representing an increase of 30.2% from the previous year. No appeal case was received by the Board during 2024-25.

Figure 16 Number of business registrations

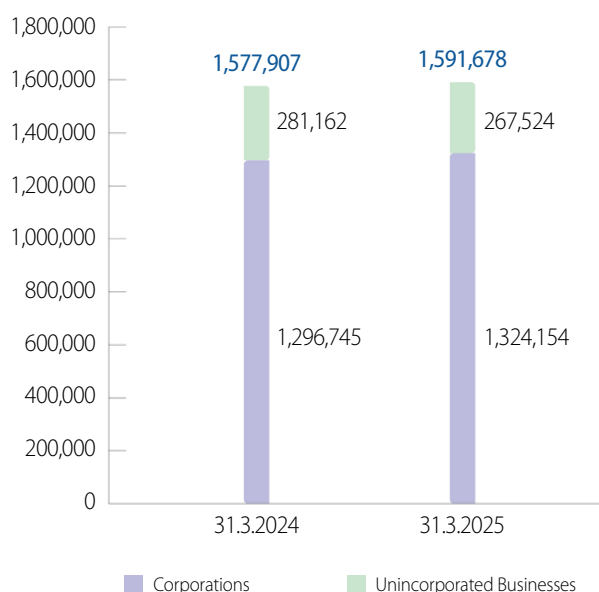


Figure 17 Business registration statistics

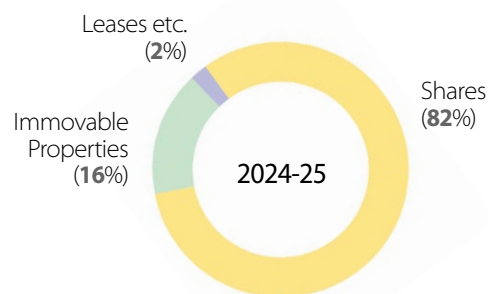
	2023-24	2024-25	Increase
Number of certificates paid (Main and Branch)	1,552,839	1,621,599	4.4%
Fees (inclusive of penalties) collected (\$m)	2,816	3,327	18.1%



Stamp Duty

Stamp duty is charged on instruments effecting property transactions, stock transactions and leasing of property in Hong Kong (**Figure 18**).

Figure 18 Composition of stamp duty collections



Overall, there was an increase of 30.1% (\$14.8 billion) in the total stamp duty collection for the year 2024-25 (**Figure 19** and **Schedule 9**). The increase in the total stamp duty collection is attributable to the substantial increase in stamp duty collected from share transactions.

Figure 19 Stamp duty collections

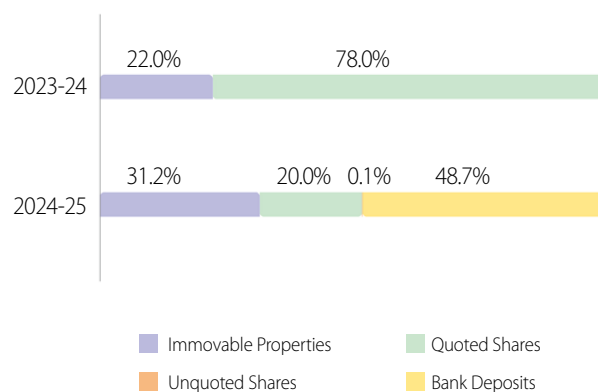
	2023-24 (\$m)	2024-25 (\$m)	Increase/Decrease
Immovable Properties	11,631	10,719	-7.8%
Shares	36,588	52,173	+42.6%
Leases and other documents	893	988	+10.7%
Total	49,112	63,880	+30.1%

Estate Duty

Estate duty is charged on a deceased person's estate situated in Hong Kong. The threshold for levying duty is \$7.5 million and the duty rates range from 5% to 15%, depending on the value of the estate.

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 abolishing estate duty in respect of persons who passed away on or after that date. The estate duty chargeable in respect of estates of persons died between the period 15 July 2005 to 10 February 2006, with the principal value exceeding \$7.5 million, is reduced to a nominal amount of \$100. The number of new cases stood at 343 in 2024-25, a decrease of 3.9% from last year (**Figure 21**).

Figure 20 Composition of estates for dutiable cases



Figures 20 and **21** show the composition of estates for dutiable cases and cases processed for the past two years.

Figure 21 Estate duty cases

	2023-24 Number	2024-25 Number
New cases	357	343
Cases finalised		
- Dutiable	3	6
- Exempt	334	370
	337	376

Estate duty of \$10.06 million was collected during the year (**Schedule 10**), a decrease of \$0.12 million (1.2%) compared with the previous year.

Estate duty is payable on delivery of an estate duty affidavit or account (or within 6 months from the date of the deceased's death, whichever is the earlier). \$5.63 million was received during the year in advance of the issue of formal assessments (**Schedule 10**).

Betting Duty

Betting duty is charged on the net stake receipts from betting on horse races and football matches and on the proceeds of Mark Six lotteries, all administered by the Hong Kong Jockey Club (HKJC). In 2024-25, the rates of betting duty on these betting activities remained unchanged (**Figure 22**). Furthermore, special football betting duty of \$2.4 billion is imposed on the HKJC annually for five years starting from 2023-24.



Figure 22 Rates of betting duty in 2024-25

		Rate
Horse racing		
Local bets on local horse races	Net stake receipts	
	the first \$11 billion	72.5%
	the next \$1 billion	73%
	the next \$1 billion	73.5%
	the next \$1 billion	74%
	the next \$1 billion	74.5%
the remainder	75%	
Local bets on non-local horse races	Net stake receipts	72.5%
Mark Six lotteries	Proceeds	25%
Football betting	Net stake receipts	50%

The total betting duty collected in 2024-25 was 0.2% higher than that of the previous year (**Figure 23** and **Schedule 11**).

Figure 23 Betting duty collections

	2023-24 (\$m)	2024-25 (\$m)	Increase / Decrease
Horse racing	13,515.8	12,783.6	-5.4%
Mark Six lotteries	2,097.9	2,265.7	+8.0%
Football betting	12,853.3	13,462.4	+4.7%
Total	28,467.0	28,511.7	+0.2%

Tax Reserve Certificates

Taxpayers may purchase Tax Reserve Certificates (TRCs) under two situations.

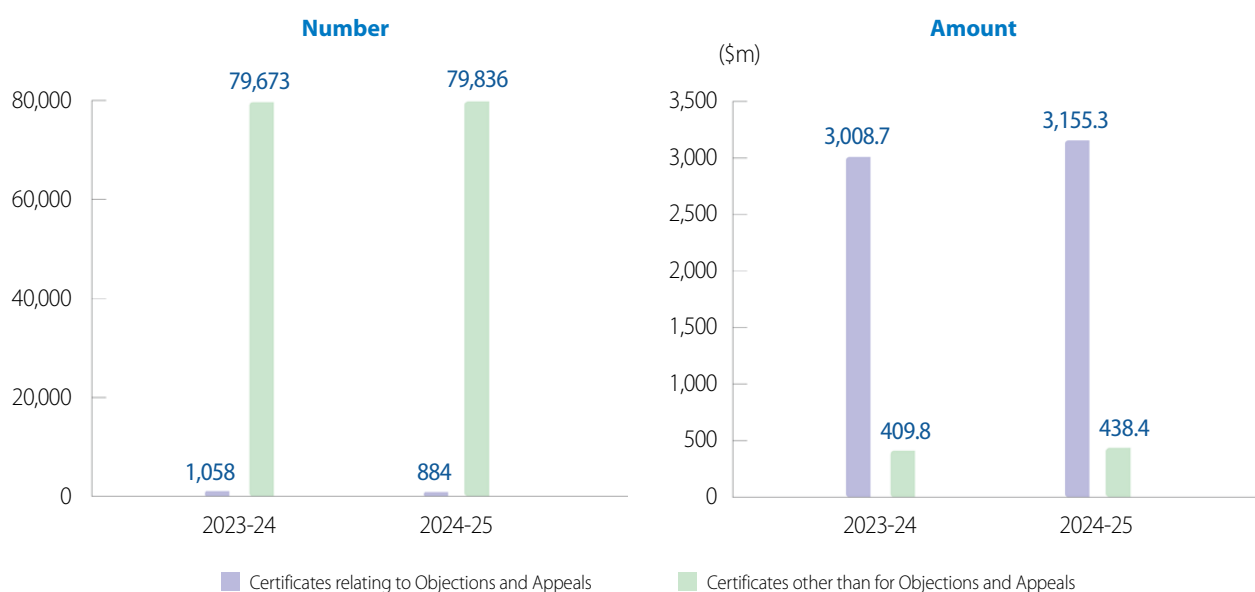
The first situation applies to taxpayers who wish to save for the payment of their future tax liabilities. The Department has set up two schemes, namely the “Electronic Tax Reserve Certificates Scheme” for all taxpayers and the “Save-As-You-Earn” (SAYE) Scheme for civil servants and civil service pensioners. With a Tax Reserve Certificate account, taxpayers may purchase TRCs by various channels, including bank auto-pay, telephone, the Internet and bank ATM. Under the “SAYE Scheme”, civil servants and civil service pensioners can purchase TRCs through monthly deductions from their salaries / pensions. Interest is payable on the TRCs when they are redeemed for settlement of tax liabilities, based on the interest rate prevailing at the time of purchase, for a maximum period of 36 months from the date of purchase.

In 2024-25, the number and amount of TRCs sold under the “Electronic Tax Reserve Certificates Scheme” increased by 2.9% and 8.4% respectively. For the “SAYE Scheme”, there was a decrease of 2.7% in the number but an increase of 1.5% in the amount of TRCs sold (**Schedule 12**). Overall, the total amount of TRCs sold under the “Electronic Tax Reserve Certificates Scheme” and “SAYE Scheme” increased by 7% (**Figure 24**).

The second situation applies to taxpayers who object to tax assessments and are required to purchase TRCs in respect of the tax in dispute. Such TRCs are used to settle any tax found payable upon the finalisation of the objection or appeal. Interest is only payable on the amount of the TRC, if any, subsequently required to be repaid to the taxpayer, and is computed at floating rates over the tenure of the TRC.

In 2024-25, there was a decrease of 16.4% in the number of TRCs sold under tax in dispute but an increase of 4.9% in the amount of TRCs sold under tax in dispute (**Figure 24** and **Schedule 12**).

Figure 24 Certificates sold



chapter 4

International Tax Collaboration

Tax Treaty Network

Double taxation arises where the same item of income or profit of a taxpayer is subject to tax in Hong Kong as well as in another tax jurisdiction. A wide tax treaty network can help minimise exposure of Hong Kong residents and residents of the tax treaty partners to double taxation. It will also facilitate the flows of trade, investment and talent between Hong Kong and the rest of the world, and enhance Hong Kong's competitiveness as an international financial, investment and commercial hub.

As at 31 March 2025, Hong Kong has signed comprehensive avoidance of double taxation agreements /

arrangements (DTAs) with 51 jurisdictions. They are Armenia, Austria, Bahrain, Bangladesh, Belarus, Belgium, Brunei, Cambodia, Canada, the Chinese Mainland, Croatia, the Czech Republic, Estonia, Finland, France, Georgia, Guernsey, Hungary, India, Indonesia, Ireland, Italy, Japan, Jersey, Korea, Kuwait, Latvia, Liechtenstein, Luxembourg, the Macao Special Administrative Region, Malaysia, Malta, Mauritius, Mexico, the Netherlands, New Zealand, Pakistan, Portugal, Qatar, Romania, Russia, Saudi Arabia, Serbia, South Africa, Spain, Switzerland, Thailand, Türkiye, the United Arab Emirates, the United Kingdom and Vietnam. The DTAs set out the allocation of taxing rights over different types of income, and provides for dispute resolution and exchange of information between competent authorities.

Hong Kong also makes use of tax information exchange agreements (TIEAs) as instruments for exchange of information with appropriate partners. As at 31 March 2025, Hong Kong has signed TIEAs with 7 jurisdictions. They are Denmark, the Faroes, Greenland, Iceland, Norway, Sweden and the United States of America.

Hong Kong is committed to enhancing tax transparency and preventing tax evasion. The Central People's Government has deposited a declaration to the Organisation for Economic Cooperation and Development (OECD) for extending the application of the Convention on Mutual Administrative Assistance in Tax Matters (MAC) to Hong Kong. With the entry into force of the MAC in Hong Kong on 1 September 2018, Hong Kong can now ride on a



multilateral platform under the MAC to implement various forms of administrative co-operation in the assessment and collection of taxes, including exchange of information on request, automatic exchange of financial account information and automatic exchange of country-by-country reports and spontaneous exchange of information on tax rulings under the base erosion and profit shifting (BEPS) package promulgated by the OECD.

As part of Hong Kong's commitment to meet the minimum standards of the BEPS package, Hong Kong completed the legislative procedures to give effect to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) in Hong Kong in the year 2022-23. The BEPS MLI, which was signed by the Central People's Government and is applied to Hong Kong, modifies the application of the covered DTAs of Hong Kong so as to swiftly implement the BEPS measures to prevent tax treaty abuse and improve dispute resolution mechanism. The relevant provisions of the BEPS MLI take effect in Hong Kong with respect to a covered DTA on 1 April 2023 (for taxes withheld at source) or on 1 April 2024 (for other taxes) at the earliest, depending on the timing of the completion of the ratification and other relevant procedures by the DTA partners.

Advance Pricing Arrangement

An Advance Pricing Arrangement (APA) is an arrangement that determines, in advance of controlled transactions, an appropriate set of criteria for the determination of the transfer pricing for those transactions over a fixed period of time. It provides a tool for multinational enterprises to manage and mitigate the transfer pricing risk on a prospective basis.

A unilateral APA is an arrangement between the Commissioner and a person concerning the transfer pricing of controlled transactions. As the APA process does not involve the agreement with a DTA partner, it does not guarantee the agreement of the DTA partner to the arrangement made.

A bilateral APA is an arrangement between the Commissioner and the competent authority of a DTA partner concerning the transfer pricing of controlled transactions. It provides certainty to a person that double taxation will not arise. The same also applies to a multilateral APA which is a similar arrangement involving the partners of two or more DTAs.

The Department rolled out the APA programme in April 2012 and introduced a statutory APA regime in July 2018. Up to 31 March 2025, the Department has received quite a number of unilateral and bilateral APA applications which involve DTA with different partners including the Chinese Mainland, Indonesia, Italy, Japan, Korea, Malaysia, the Netherlands, Thailand and the United Kingdom. These cases are currently under different stages of the APA programme and a few of them have already been completed.

Automatic Exchange of Financial Account Information

For the purposes of enhancing tax transparency and combating cross-border tax evasion, the OECD released in July 2014 a new international standard for automatic exchange of financial account information in tax matters (AEOI). In September 2014, Hong Kong indicated its support for implementing AEOI on a reciprocal basis with appropriate partners with a view to commencing the first exchanges in 2018. So far, over 125 jurisdictions have committed to implementing this international standard.

Hong Kong put in place a legislative framework for implementing AEOI in 2016 and developed the related information technology systems in 2017. Reporting financial institutions are required to identify financial accounts held by tax residents of reportable jurisdictions in accordance with the required due diligence procedures, collect the reportable information of these accounts and furnish their Financial Account Information Returns with the required information via the AEOI Portal. In 2024-25, compound penalties were imposed on or warning letters were issued to a few reporting financial institutions for their failure to submit Financial Account Information Returns on time or submission of incorrect Financial Account Information Returns.

Hong Kong will only conduct AEOI with a reportable jurisdiction when an arrangement is in place with the reportable jurisdiction concerned to provide the basis for exchange. Hong Kong first adopted a bilateral basis in implementing AEOI. Later, after the MAC came into force in Hong Kong on 1 September 2018, Hong Kong has been able to take a multilateral approach in implementing AEOI. Hong Kong's network for tax information exchange has been expanded accordingly.

Up to 2024, Hong Kong smoothly completed seven rounds of AEOI with other jurisdictions through the OECD Common Transmission System.

Automatic Exchange of Country-by-Country Reports

Hong Kong put in place a legislative framework for implementing the country-by-country reporting in 2018. The requirements for filing a country-by-country return only apply to a multinational enterprise group whose annual consolidated group revenue reaches the specified threshold amount of HK\$6.8 billion. The primary obligation of filing a country-by-country return is on the ultimate parent entity resident in Hong Kong. A Hong Kong entity of a reportable group whose ultimate parent entity is not resident in Hong Kong will be subject to a secondary obligation of filing if certain conditions are met. The mandatory filing of country-by-country return commenced for accounting period beginning on or after 1 January 2018.

To facilitate Hong Kong entities to comply with their reporting obligations and implementation of automatic exchange of country-by-country reports, the Department has launched the CbC Reporting Portal for submission of returns and data files. Hong Kong has smoothly completed the automatic exchange of country-by-country reports for 2018 to 2023 with exchange partners.

chapter 5

Collection

Revenue collected by the Department includes tax, additional tax, surcharge and fines. **Schedules 13** and **14** provide details of additional tax, surcharge and fines imposed by the Department in respect of earnings and profits tax during 2024-25.

Collection of Tax

Taxpayers can conveniently settle their tax liabilities by various payment methods, including electronic payment (by phone, bank ATM, via Faster Payment System (FPS) or via the Internet), payment in person or payment by post. For earnings and profits tax, electronic payment remains the most popular.



Refund of Tax

Tax refunds were made mainly due to two reasons, namely, overpayment of tax by taxpayers and revision of assessments. There were 680,908 refund cases in 2024-25, representing a decrease of 2%. The total amount of refunds was \$29.5 billion, representing an increase of \$0.8 billion or 2.7% compared with the previous year (**Figure 25**).

Figure 25 Tax refunds

Type of tax	2023-24		2024-25	
	Number	Amount (\$m)	Number	Amount (\$m)
Profits tax	69,541	13,679.3	68,963	13,441.8
Salaries tax	537,766	6,245.5	523,751	6,074.2
Property tax	25,502	302.2	23,753	270.7
Personal assessment	35,368	656.3	37,036	648.9
Others	26,458	7,822.2	27,405	9,032.0
Total	694,635	28,705.5	680,908	29,467.6

Recovery of Tax in Default

Taxpayers should pay tax on or before the due date shown on the demand notes issued to them. The vast majority of taxpayers settle their tax liabilities in a timely manner.

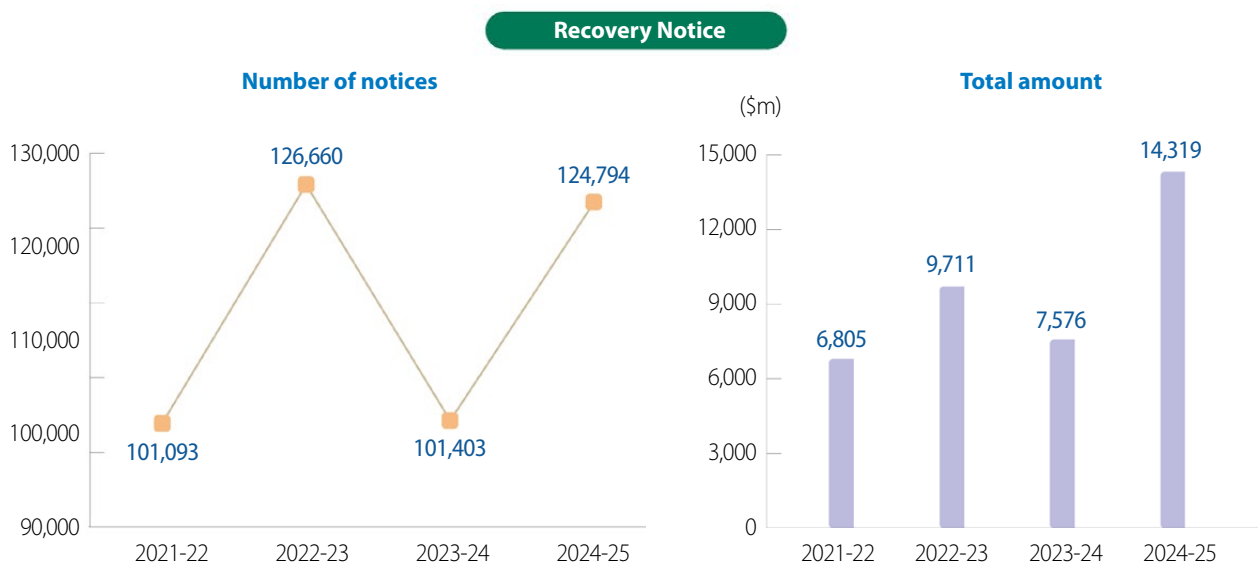
A late payment surcharge of 5% will generally be imposed where tax is in default. If tax debts remain outstanding for more than six months after the due date, the Department may impose a further surcharge of 10% on the total unpaid amount.

Any tax in default is immediately recoverable. Recovery notices can be issued to employers, bankers, debtors and persons holding money on behalf of the defaulting taxpayers to effect collection. Actions may also be commenced in the District Court. **Figure 26** summarises different types of recovery actions taken by the Department.

Figure 26 Recovery action



Figure 26 Recovery action (continued)



Upon entry of judgment, a defaulting taxpayer becomes liable to legal costs and interest on judgment debt for the period from the date of commencement of proceedings to the date of full settlement in addition to the outstanding tax. **Figure 27** shows the legal costs and judgment interest collected during 2024-25.

Figure 27 Legal costs and judgment interest collected in 2024-25

	\$	\$
Court cost		
Court fees	179,990	
Execution fees	8,390	188,380
Fixed cost		118,203
Judgment interest		
Pre-judgment interest	2,029,129	
Post-judgment interest	14,522,729	16,551,858
Total costs and interest collected		16,858,441

Furthermore, the Commissioner may apply to a District Judge to prevent a person with tax in default from leaving Hong Kong. If the District Judge is satisfied that it is in the public interest to ensure that the person does not depart from Hong Kong, or if he returns, does not depart again, without first paying the tax or furnishing security to the satisfaction of the Inland Revenue Department for payment of that tax, he shall issue the "departure prevention direction". The person concerned has the right to appeal to the Court of First Instance of the High Court against the District Judge's decision.

chapter 6

Field Audit and Investigation

The Field Audit and Investigation Unit is responsible for conducting field audits and investigations on businesses and individuals with a view to combating tax evasion and avoidance. Back tax is assessed and penalties are generally imposed where discrepancies are detected.

During 2024-25, the Field Audit and Investigation Unit completed 1,803 cases (including tax avoidance cases) and assessed back tax and penalties of about \$2.8 billion (**Figure 28**).



Figure 28 Results of the Field Audit and Investigation Unit

	2021-22	2022-23	2023-24	2024-25
Number of cases completed	1,720	1,805	1,802	1,803
Understated earnings and profits (\$m)	14,090.4	12,741.6	21,345.9	15,235.4
Average understatement per case (\$m)	8.2	7.1	11.8	8.5
Back tax and penalties assessed (\$m)	2,897.4	2,602.3	3,303.7	2,810.7
Back tax and penalties collected (\$m)	2,274.6	2,243.0	3,957.1	2,410.5

Field Audit

In 2024-25, there were 17 Field Audit sections. Field audit is conducted on both corporations and unincorporated businesses. The work of field auditors entails site visits to business premises and examination of accounting records of taxpayers in order to ascertain whether correct returns of profits have been made.

Anti-tax Avoidance

Two of the 17 Field Audit sections concentrate on tackling tax avoidance schemes, whereas other investigation officers and field auditors handle avoidance cases on an operational need basis. During 2024-25, the Field Audit and Investigation Unit completed 216 tax avoidance cases and assessed back tax and penalties of about \$0.7 billion (**Figure 29**).

Figure 29 Results of the audit on tax avoidance cases

	2021-22	2022-23	2023-24	2024-25
Number of cases completed	187	192	222	216
Understated earnings and profits (\$m)	5,548.8	3,934.0	12,799.1	3,827.8
Average understatement per case (\$m)	29.7	20.5	57.7	17.7
Back tax and penalties assessed (\$m)	1,087.3	805.8	1,619.4	721.1

Investigation

In 2024-25, there were 5 Investigation sections. Investigation officers are responsible for conducting in-depth investigations into suspected tax evasion, and taking penal action (including prosecution proceedings in appropriate cases) as a deterrent.

Prosecution

One of the 5 Investigation sections is the prosecution section focusing on criminal investigation of tax evasion. Tax evasion is a serious crime. A person convicted of tax evasion could be sentenced to imprisonment for up to three years and fined.

During the year, the Department successfully prosecuted two tax evasion cases. A couple were prosecuted for omitting rental income of their respective properties from their respective tax returns for the years of assessment 2014/15 to 2019/20 and 2015/16 to 2019/20, and giving false answers in writing to the requests for letting information from the Inland Revenue Department, contrary to Section 82(1)(a) and (e) of the Inland Revenue Ordinance. The two defendants were convicted on all the 13 charges on 5 March 2025 by the Magistrate. The husband was sentenced to 3 months' imprisonment and fined \$338,068 (equivalent to 200% of tax undercharged). The wife was sentenced to 3 months' imprisonment, suspended for 3 years, and fined \$405,300 (equivalent to 200% of tax undercharged).

Property Tax Compliance Check

In addition to conducting audits on businesses, the Department also carries out verification checks on the correctness of rental income reported by property owners. In 2024-25, the Department completed compliance check on 362,313 property tax cases (**Figure 30**).

Figure 30 Results of the property tax compliance checks

	2021-22	2022-23	2023-24	2024-25
Number of cases completed	318,498	316,105	342,794	362,313
Understated rental income (\$m)	1,360.8	1,582.5	1,765.0	1,610.8
Back tax and penalties assessed (\$m)	163.3	189.9	211.8	193.3

chapter 7

Taxpayer Services

IRD Website

www.ird.gov.hk

The IRD website is a very effective channel for disseminating tax information and providing electronic services to the public. With continuous enrichment and updates, the website enables taxpayers to obtain the most current information about Hong Kong taxation in a fast and convenient manner.

Through the website, members of the public can:

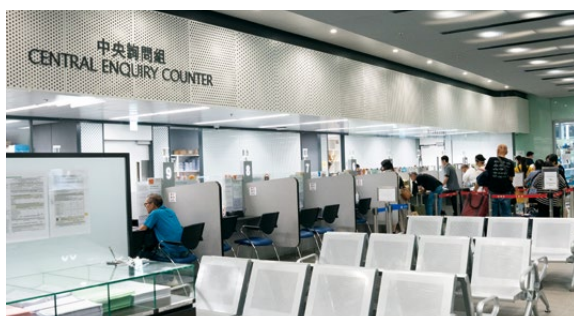
- obtain information on tax law, tax returns, tax obligations and answers to frequently asked questions;
- use IRD software and download IRD public forms;
- access the online booking systems for Business Registration Office counter service and Stamp Office lease counter service;
- run the interactive program to calculate their liabilities under salaries tax and personal assessment; and
- access the personalised online tax services provided by the Department under eTAX.

To facilitate all sectors of the community to locate the relevant tax information, there are thematic content pages for individuals, businesses, property owners, employers, tax representatives, etc.

The IRD website has adopted responsive web design, which enables users to have quick and convenient access to tax information.

Electronic Enquiry Service

Electronic enquiry services are provided to eTAX users at <www.gov.hk/etax>. They can view their tax position in relation to their returns, assessments and payments, etc. at any time.



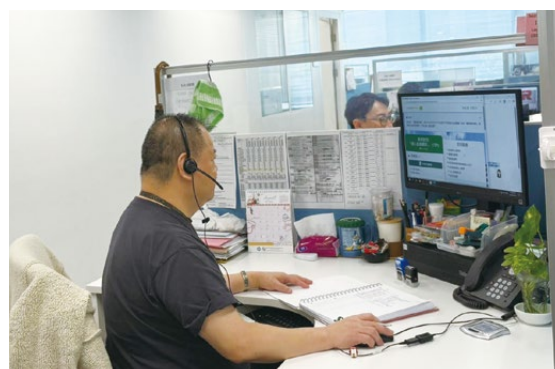
Enquiry Service Office

The Department's Enquiry Service Office (the Office) handles telephone and counter enquiries. The Office is equipped with a computer network linked to the Department's General Enquiry Knowledge Database to enable our staff to provide, as far as possible, an immediate "one-stop" service. To cater for the needs of

people of diverse races calling the Department’s hotlines or visiting our office, with the consent from the callers, telephone interpretation service in eight languages other than Chinese and English, namely, Bahasa Indonesia, Hindi, Nepali, Punjabi, Tagalog, Thai, Urdu and Vietnamese, can be arranged free of charge with the assistance of a third party service provider.

Telephone Enquiry Service

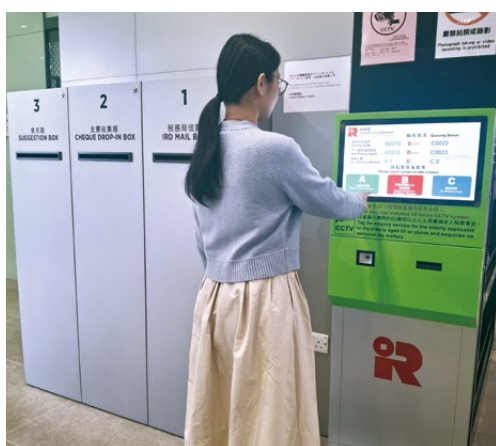
The Office operates an Interactive Telephone Enquiry System (ITES) with 144 telephone lines. Callers can have access on a 24-hour basis to a wide range of tax information by listening to recorded messages. Besides, callers can obtain facsimile copies of information sheets and forms through the system. A “Leave-and-call-back” facility, for recording information requests, and a “Fax-in enquiry” service are also available. The telephones are manned during office hours by staff who would readily serve the callers. The Office also provides an eTAX help desk hotline to handle enquiries on eTAX services and provide technical support.



The statistics of services provided through ITES during 2024-25 are shown in **Figure 31**.

Figure 31 Statistics of services provided through ITES

	2023-24 Number	2024-25 Number	Increase / Decrease
Calls answered by staff	565,262	547,636	-3.1%
Calls answered by system	920,892	1,100,798	+19.5%
Leave-and-call-back messages	67,665	54,844	-18.9%
Documents supplied by fax	1,905	1,848	-3.0%



Counter Enquiry Service

Generally, the counter staff of the Office can address enquiries, collect mail items and issue forms on the spot without the need to refer callers to other sections in the Department for assistance. The number of counter enquiries handled and forms issued during 2024-25 was about 0.52 million (**Figure 32**).

Information leaflets on topics of general interest are available for collection at the form stand located in the Office. The public may also obtain general tax information and download forms from the IRD website and GovHK <www.gov.hk>.

Figure 32 Counter enquiries

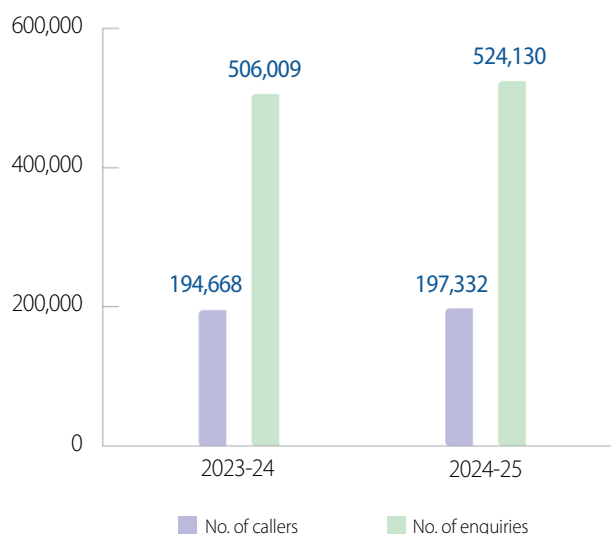
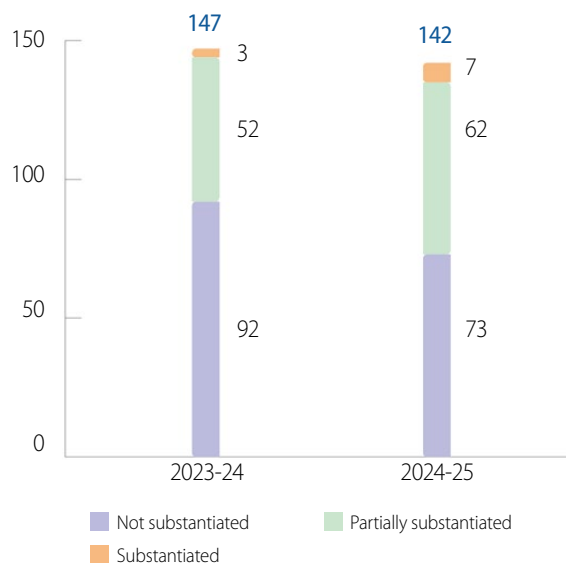


Figure 33 Complaint cases



Tax-help Services for Completion of Tax Returns

On the IRD website, e-Seminars are provided for employers, property owners and individual taxpayers. Information on how to complete tax returns, fulfil tax obligations and overcome difficulties in compliance is uploaded to the website. After reading the information, taxpayers can raise enquiries electronically at the “Q&A Corner”. The Department will reply to the questions on a regular basis.

The Department issued 2.44 million Tax Returns - Individuals for the year of assessment 2023-24 on 2 May 2024. To assist the taxpaying public in completing tax returns, the Department extended the service hours of telephone enquiry services in May 2024. Service hours from Monday to Friday were extended by one and a half hours till 7:00 pm and additional service was also provided on Saturday from 9:00 am till 1:00 pm. During peak periods, the Department also redeployed manpower resources and employed part-time staff to strengthen daytime telephone enquiry services.

Complaints and Compliments

If taxpayers are dissatisfied with the services provided by the Department or their problems cannot be solved satisfactorily through normal channels, the Complaints Officer may be approached for assistance. The complaint channel provides taxpayers with the means of having individual grievances dealt with independently at a senior level. This ensures that such cases are properly handled in a fair and impartial manner. During 2024-25, 142 complaints cases were received (**Figure 33**).

If taxpayers are dissatisfied with any administrative action taken by the Department, they may refer the matter to the Ombudsman. During 2024-25, the Ombudsman sought comments from the Department in respect of 9 cases. In the light of these cases, the Department has reviewed relevant operations with a view to improving them.

Taxpayers may compliment the service of the Department. During the year, 183 Letters of Compliments were received.

Performance Pledge

The service standards a taxpayer can expect from the Department are set out in the performance pledges. The Department has achieved all targets of performance pledges and excelled in some of the targeted performance with remarkable results during 2024-25.



chapter 8

Information Technology

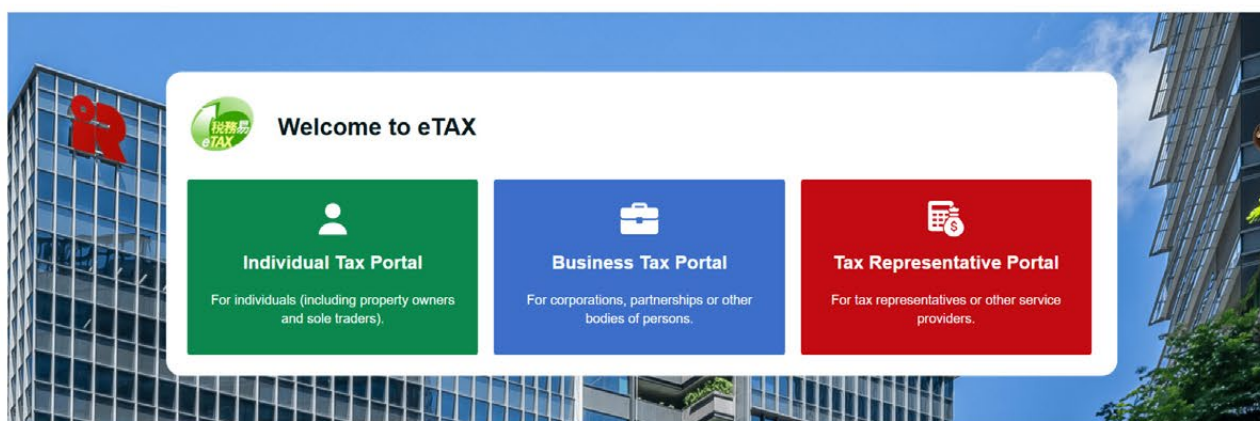
The Department has been making extensive use of information technology to enhance operational efficiency and provide quality services to the public.

IT Environment

The Department has built up a comprehensive and integrated IT infrastructure with different types of computer application systems and platforms. The Department's network connects the computer system and workstations of staff on different floors. Assessment process is automated by the "Assess-First-Audit-Later" system. Tax audit and investigation work is facilitated by the use of data mining and advanced analytical tools. The Document Management System and Workflow Management System enhance the control and monitoring of documents, files and workflow, facilitate the tracking of case progress, and thus enable the Department to improve overall service quality. A wide range of information is stored in the Department's Intranet and General Enquiry Knowledge Database for convenient access by our staff at work. Moreover, e-mail and internet facilities provide an efficient and environment-friendly communication platform for our staff.

The Department has leveraged cloud services to accommodate all of its computer application systems since April 2023, and will implement the following system development and modifications by phases in 2025-26 –

- (1) to extend the application of workflow technology for improving the Department's internal communication and work efficiency;
- (2) to replace the eTAX System with an Individual Tax Portal with enhanced functionalities for individual taxpayers;
- (3) to develop a Business Tax Portal to facilitate submission of tax returns by businesses together with accounting and financial data; and
- (4) to develop a Tax Representative Portal to enable tax representatives conducting e-transactions on behalf of their clients, both individuals and businesses.



Electronic Services

eTAX

The Department continues to provide a wide range of online tax services to the public, including Internet filing of tax returns, e-stamping of property documents, business registration e-services, electronic notices, electronic payments and lodgement of applications, etc.



From 30 December 2020 onwards, iAM Smart can be used as another means for taxpayers to log in to their eTAX accounts, file electronic tax returns and request revision of assessment electronically. Since 14 August 2022, eTAX has adopted responsive web design to enable users to have quick and convenient access to their tax information with improved user experience.

eTAX services are widely used by the public. As at 31 March 2025, there were some 1,709,000 registered eTAX users. The take-up rate increased year after year (**Figure 34**).

Figure 34 eTAX Usage Statistics

	2023-24 Number	2024-25 Number	Increase / Decrease
Internet filing of tax returns			
- Tax Return-Individuals, Property Tax Return and Profits Tax Return	949,001	1,098,090	+15.7%
- Employer's Return of Remuneration and Pensions			
BIR56A	55,836	58,854	+5.4%
IR56B	2,133,580	2,564,551	+20.2%
- Employer's Notifications of Commencement of Employment, Cessation of Employment and Employee's Departure from Hong Kong	431,421	505,373	+17.1%
Stamping of Property Document	359,586	409,692	+13.9%
Business Registration Number Enquiry	8,522,795	2,908,638	-65.9%
Application for Supply of Information on the Business Register			
- Requisition	274,790	305,914	+11.3%
- Business registrations involved	716,859	753,624	+5.1%

Other Electronic Services

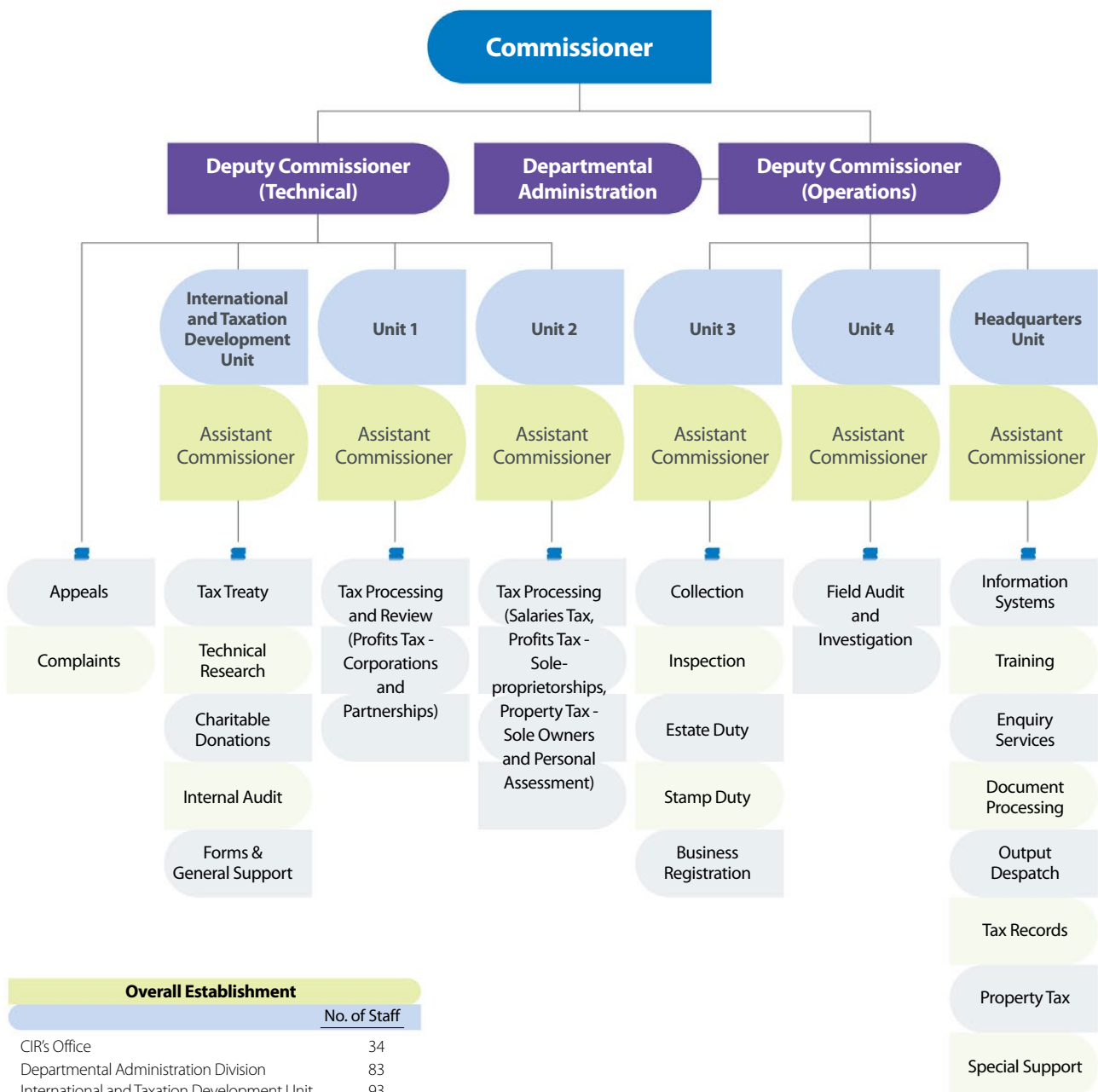


During 2024-25, some 240 employers furnished annual returns for 373,000 employees in total by using portable electronic storage devices. About 70% of these employers used the free software provided by the Department.

chapter 9

Human Resources

Organisation Chart of the Inland Revenue Department as at 31.3.2025



Establishment

The Commissioner, the two Deputy Commissioners and the six Assistant Commissioners, together with the Departmental Secretary, form the top management of the Inland Revenue Department.

Members of the Top Management of the Inland Revenue Department (as at 31.3.2025)



- | | | | |
|---|---|----|--|
| 1 | Mr CHAN Sze-wai, Benjamin
Commissioner | 6 | Ms WONG Pui-ki
Assistant Commissioner
(Unit 2) |
| 2 | Mr LEUNG Kin-wa
Deputy Commissioner
(Operations) | 7 | Ms LEUNG Wing-chi
Assistant Commissioner
(Unit 3) |
| 3 | Miss CHAN Shun-mei
Deputy Commissioner
(Technical) | 8 | Mr NG Man-kwan
Assistant Commissioner
(Unit 4) |
| 4 | Ms LAM Pui-kuen
Assistant Commissioner
(International and Taxation Development Unit) | 9 | Mr WONG Kai-cheong, Tony
Assistant Commissioner
(Headquarters Unit) |
| 5 | Miss HUI Chiu-po
Assistant Commissioner
(Unit 1) | 10 | Miss WONG So-san, Suzanne
Departmental Secretary |

As at 31 March 2025, the Department had an establishment of 2,940 permanent posts (including 29 directorate posts) in the Commissioner's Office and the six Units of the Department. Of the total, 2,065 posts were in departmental grades (namely Assessor, Tax Inspector and Taxation Officer grades), performing duties directly concerned with taxation. The remaining 875 posts were in common / general grades, providing administrative, information technology and clerical support services (**Figure 35**).

Most of the professional officers serving in the Department were below the age of 45 (**Figure 36**). The ratio of male to female professional officers was 1:1.8.

Figure 35 Staff establishment

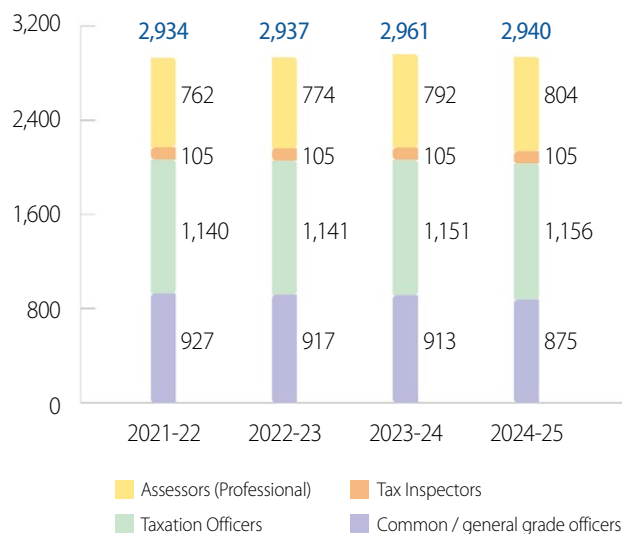


Figure 36 Age and gender profiles of professional staff (on strength basis)

Age Group	Male		Female		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
Below 25	2	(0.7%)	22	(4.4%)	24	(3.1%)
25 to below 35	115	(41.7%)	195	(38.8%)	310	(39.9%)
35 to below 45	51	(18.5%)	124	(24.7%)	175	(22.5%)
45 to below 55	55	(19.9%)	97	(19.3%)	152	(19.5%)
55 and over	53	(19.2%)	64	(12.8%)	117	(15.0%)
Total	276	(100%)	502	(100%)	778	(100%)

Staff Promotions and Turnover

In 2024-25, a total of 63 departmental grade officers and 6 common / general grade officers were promoted. Among them, 3 were in directorate rank. 230 officers joined the Department, of which 197 were new appointees and 33 were officers transferred from other grades / departments. A total of 200 officers (including 50 transferred to other departments) left the Department.

Training and Development

Staff are the Department's valuable assets. We recognise the importance of offering continuous learning to our staff to keep them abreast of the changing environment and to acquire the necessary knowledge to perform their duties. A variety of training courses in taxation, accounting, interpersonal skills, management, languages, information technology, etc. are offered to staff members. In 2024-25, our staff received training for a total of 9,774 man-days, which was equivalent to about 3.32 man-days per officer.

The major training activities conducted for our staff during 2024-25 were as below:

Training Courses

- Induction courses for all grades of staff upon joining the Department
- Two-year taxation law and practice course for newly appointed Assistant Assessors
- Briefing sessions on legislative amendments and new services
- Refresher courses on professional knowledge
- Courses on Mainland Taxation
- Written and spoken English courses
- Chinese official writing course
- Information security training programme



Workshops

- Mentorship workshop
- Performance management workshop
- Workshop on blockchain essentials
- Workshop on data and statistics analytics with Artificial Intelligence (“AI”)
- Workshop on effective Putonghua for quality services
- Workshop on emotional wellness
- Workshop on empowering communication for performance appraisal in English
- Workshop on fundamental management skills
- Workshop on generative AI, text analytics and natural language processing with financial technology
- Workshop on negotiation basics
- Workshop on motivating staff for performance
- Workshop on problem solving and decision making
- Workshop on quality service
- Workshop on replying to complaints
- Workshop on using mediation skills to handle conflicts in workplace

Continuing Professional Education

11 seminars were held by the Training Committee under the in-house Continuing Professional Education (CPE) Programme on the following subjects for professional officers:

- Updates on Hong Kong Accounting Standards
- Appeal cases update 2024

- Latest practice on taxation of charitable organisations
- Updates on Profits Tax issues
- Exploring intangible assets: a transfer pricing perspective
- Recent development on AI technology
- Introduction and the latest updates on Anti-Money Laundering and Counter-Financing of Terrorism
- Annual updates on Salaries Tax issues
- Environmental, social and governance (ESG) code and disclosure requirements in Hong Kong
- An overview of big data analytics and cryptocurrency
- Amalgamation of companies and transfer or succession of certain capital assets



Speakers for five of the seminars were outside experts and others were staff members. Two of the CPE seminars were e-seminar and uploaded onto the Department's Intranet. A total of 1,347 staff members attended the face-to-face seminars and 1,561 staff members had viewed the e-seminars.

Courses in the Chinese Mainland and Overseas

By participating in overseas training programmes, our professional officers can broaden their horizons and acquire the necessary knowledge to cope with new and complex global issues. In 2024-25, the Department has sent 31 professional officers to the Chinese Mainland, Japan, Korea, Malaysia, Singapore and Thailand to attend training courses on different subjects and 13 to the Chinese Mainland for national studies courses. Also, the Department deployed information and communication technology to facilitate officers to participate in distance learning. In 2024-25, 31 officers attended virtual training and e-learning courses on different issues.

Continuous Learning

Besides the conventional classroom training, the Department employs various means to promote continuous self-learning. These include encouraging staff to take the web courses provided by the web-based learning portal "CLC Plus" of the Civil Service College and providing financial support to officers to attend seminars and courses organised by academic and professional institutes. Training materials and information are uploaded onto the Department's Intranet for officers to study in their own time and at their own pace. This provides an effective way for the staff to acquire new knowledge and refresh what they have learnt.

Mentorship Scheme



A Mentorship Scheme for Assistant Assessors has been in place since 2008. Under this scheme, experienced officers (the mentors) will guide newly recruited Assistant Assessors (the mentees) to broaden their perception about the Department such as the organisation structure, work, connection and culture, and help them integrate into the civil service.

Staff Relations and Welfare

The Department attaches great importance to staff relations and welfare. We strive to maintain effective communication, and promote co-operation and mutual trust between the management and staff at all levels that help enhance the Department's operational efficiency and productivity.

The Departmental Consultative Committee

The Departmental Consultative Committee provides a formal and effective platform for the management and staff to exchange views on matters of mutual concern such as recruitment, promotion, career posting, training, working environment, staff welfare, office security and safety. The Committee is chaired by the Deputy Commissioner (Operations) and composed of representatives from all staff unions / associations and staff groups in the Department.

The General Grades Consultative Committee

The General Grades Consultative Committee, chaired by the Departmental Secretary and composed of representatives from the clerical and secretarial grades, allows the general grades staff members to discuss with the management issues of specific interest to their grades.

The "Meet-the-Staff Programme"

First launched in 1996-97, the "Meet-the-Staff Programme" enables the senior management of each Unit and staff of different sections / groups to exchange ideas face to face on departmental and service-wide issues in an open and relaxed manner. It serves to supplement the formal consultative channel and effectively enhances communication between staff and the management.

The IRD Staff Suggestions Scheme



In 2024-25, 3 out of 9 suggestions made through the IRD Staff Suggestions Scheme were granted cash awards and certificates of commendation in recognition of the relevant staff's contributions on enhancing operational efficiency and quality of services of the Department.

The Inland Revenue Department Newsletter

The Departmental Newsletter, published every 4 months, serves as another channel of communication between staff and the management promoting a sense of belonging in the Department. Articles are contributed by unit management for disseminating service-related issues, staff movement, staff welfare, information technology, environmental and green issues, occupational health and safety matters, etc., and by staff who are keen to share their leisure activities and hobbies. The Newsletter also provides a regular roundup of the recreational activities organised by the IRD Sports Association as well as volunteer activities arranged by the IRD Volunteer Team.



The Inland Revenue General Staff Welfare Fund

Established in 1972, the Inland Revenue General Staff Welfare Fund operates on funds donated by staff on a voluntary basis. It aims to provide within a short time small amount of interest free loan, as an additional and quick emergency relief, to help staff in unexpected financial hardship. The Fund is managed by a Governing Committee, chaired by the Departmental Secretary and composed of staff representatives from the Departmental Consultative Committee, the General Grades Consultative Committee and the IRD Sports Association. The Claims Subcommittee, formed under the Governing Committee, considers and approves applications for financial assistance submitted by staff.

Commissioner's Commendation Letter Scheme

In 2024-25, 41 officers who had consistently provided outstanding service were awarded the Commissioner's Commendation Letter.



The Long and Meritorious Service Travel Award Scheme

In 2024-25, 20 officers with long and meritorious service were granted awards under the Long and Meritorious Service Travel Award Scheme.

The IRD Sports Association



The IRD Sports Association aims to promote the intellectual, social and athletic interests of its members. The Association strives to serve as a platform for colleagues to mingle, and to foster better relationship and sense of belonging to the Department. To achieve these objects, the Association organised a wide range of social and recreational activities to encourage colleagues to establish a healthy lifestyle and maintain a balance between work and life, as well as to foster friendship and solidarity among colleagues in 2024-25. These activities include luncheon talks, lantern festival riddles, night squid fishing, local day trips and visits, which were well received and supported by colleagues. An Annual Dinner filled with joy and happiness was also held in December 2024 with more than 600 colleagues and guests to join the celebration.



To encourage members to do exercises regularly and demonstrate their talents in sports, the Association also held various kinds of sports competitions during the year, including badminton, bowling, table tennis, tennis and basketball competitions.

The IRD Volunteer Team under the auspices of the Association continued to participate actively in numerous charitable events to extend care and love to the needy. The IRD Volunteer Team serves a wide range of targets, which included the elderly, disabled people, teenagers, children and ethnic minorities. Throughout the year, the IRD Volunteer Team participated in 14 charitable events recording a total of 992 service hours. To recognise the Department's continuous dedication to care for the community, the Hong Kong Council of Social Service continued to recognise the Department as a Caring Organisation with the "15 Years Plus Caring Organisation Logo" during the year. Since 2005, the Department had been recognised as a Caring Organisation by the Hong Kong Council of Social Service for 19 consecutive years.



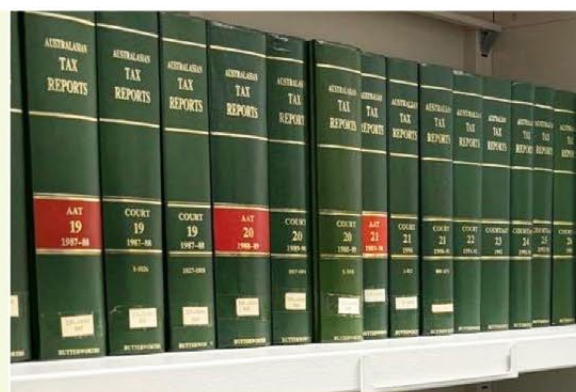
On the charity front, the Association also actively participated in charitable fund-raising activities including "Medecins Sans Frontieres Day", "ORBIS World Sight Day" and "World Vision – Skip-A-Meal". With the generous support of our colleagues, a total of over \$144,000 was raised during the year. The Association was awarded the Championship in "Organisation with the Most Participants" in "ORBIS World Sight Day" and was the 1st runner up in "The Largest Amount of Total Donation" and 2nd runner-up with the Most Participants in "World Vision – Skip-A-Meal" this year.



chapter 10

Legislative Amendments

The following pieces of legislation enacted during the year 2024-25 are related to matters under the purview of the Department.



Stamp Duty (Amendment) Ordinance 2024 (Ordinance No. 8 of 2024)

This Ordinance amended 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 Special Stamp Duty and Buyer's Stamp Duty, and the ad valorem stamp duty (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 Ordinance (Amendment of Schedule 17E) Notice 2024 (Legal Notice No. 71 of 2024)

This Notice amended the Inland Revenue Ordinance to update the list of "participating jurisdictions" based on the latest status of the activation of automatic exchange of financial account information in tax matters (AEOI) exchange relationships between Hong Kong and relevant jurisdictions, which enabled Hong Kong to comply with the prevailing international tax standard on exchange of tax information.

Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Ordinance 2024 (Ordinance No. 10 of 2024)

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the 2024-25 Budget and the 2023 Policy Address:

- To implement a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024-25. In calculating the amount of salaries tax or tax under personal assessment at standard rates, the first \$5 million of net income will be subject to the standard rate of 15% while the portion exceeding \$5 million will be subject to the standard rate of 16%;

- To reduce the amounts of salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2023-24 by 100%, subject to a maximum of \$3,000 in each case; and
- To allow an additional deduction ceiling amount of \$20,000 for home loan interest or domestic rents, on top of the basic deduction ceiling (\$100,000), for eligible taxpayers if specified conditions are met, starting from the year of assessment 2024-25 and for a maximum of 19 years of assessment.

Inland Revenue (Amendment) (Tax Concessions for Intellectual Property Income) Ordinance 2024 (Ordinance No. 17 of 2024)

This Ordinance amended the Inland Revenue Ordinance to implement the “patent box” tax incentive to provide tax concessions for qualifying profits sourced in Hong Kong and derived from eligible intellectual properties created through research and development activities.

Hotel Accommodation Tax Ordinance – Resolution of the Legislative Council (Legal Notice No. 160 of 2024)

This Resolution amended the Hotel Accommodation Tax Ordinance to resume the collection of the hotel accommodation tax at a rate of 3% with effect from 1 January 2025.

Stamp Duty Legislation (Miscellaneous Amendments) Ordinance 2024 (Ordinance No. 33 of 2024)

This Ordinance amended the Stamp Duty Ordinance to waive the stamp duty payable on the transfer of shares or units of real estate investment trusts and on transactions amounting to jobbing business of options market makers, and provide for a revised stamp duty collection arrangement upon the implementation of the uncertificated securities market regime in Hong Kong.

Inland Revenue (Amendment) (Tax Deductions for Leased Premises Reinstatement and Allowances for Buildings and Structures) Ordinance 2024 (Ordinance No. 34 of 2024)

This Ordinance amended the Inland Revenue Ordinance to introduce a tax deduction for expenses incurred for reinstating the condition of leased premises to their original condition and to remove the time limit for claiming annual allowances in respect of industrial and commercial buildings and structures.

Public Revenue Protection (Stamp Duty) Order 2025 (Legal Notice No. 34 of 2025)

This Order gave full force and effect of law to the Stamp Duty (Amendment) Bill 2025 (the 2025 Bill) before its enactment. The 2025 Bill sought to amend the Stamp Duty Ordinance to give effect to a proposal in the 2025-26 Budget to adjust the maximum value of properties chargeable to \$100 stamp duty from \$3 million to \$4 million with effect from 26 February 2025.

Inland Revenue (Amendment) (Tax Deductions for Assisted Reproductive Service Expenses) Ordinance 2025 (Ordinance No. 2 of 2025)

This Ordinance amended the Inland Revenue Ordinance to introduce a new concessionary deduction for assisted reproductive service expenses under salaries tax and personal assessment .

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

Country / Region	Date of Order	Nature
Republic of Armenia	20 December 2024	Double Taxation Relief with respect to Taxes on Income and Prevention of Tax Evasion and Avoidance
Kingdom of Bahrain	20 December 2024	Double Taxation Relief with respect to Taxes on Income and Prevention of Tax Evasion and Avoidance
People's Republic of Bangladesh	20 December 2024	Double Taxation Relief with respect to Taxes on Income and Prevention of Tax Evasion and Avoidance
Republic of Croatia	20 December 2024	Double Taxation Relief with respect to Taxes on Income and Capital and Prevention of Tax Evasion and Avoidance
Republic of Türkiye	20 December 2024	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
89 of 2024	3 June 2024 to 6 October 2024	0.8833%
121 of 2024	7 October 2024 to 3 November 2024	0.8000%
161 of 2024	4 November 2024 to 1 December 2024	0.7167%
174 of 2024	2 December 2024 to 5 January 2025	0.5500%
194 of 2024	6 January 2025 to 2 February 2025	0.4250%
9 of 2025	On or after 3 February 2025	0.3417%

chapter 11

Environmental Report

Green Management Policy

The Inland Revenue Department is committed to providing a green workplace, and operating in an environmentally conscious and responsible manner. Reducing energy and paper consumption continues to be the Department's main green target in view of its office-based operations. To this end, we strive to protect and conserve the environment through:

- Ensuring that the Department's operations comply with the relevant environmental protection ordinances;
- Adopting green housekeeping measures in the Department such as avoiding, reducing and controlling environmental pollution / wastage arising from the day-to-day work practice;
- Requiring our contractors to implement effective environmental management systems and pollution control measures;
- Using environment-friendly products such as energy saving photocopiers, batteries without mercury, unleaded petrol and products with environment or energy efficiency labels;
- Ensuring that all staff are aware of the Green Management Policy with adequate information accessible by those who are interested in the subject; and
- Providing training courses and workshops on green management for staff to increase their awareness of green issues and encourage them to participate in environmental protection programmes.

Green Management and Promotion of Green Awareness

Green Management

The Environment and Records Management Committee, chaired by the Departmental Secretary (who is also the Department's Green Manager) and composed of green executives from each Unit of the Department, aims to set directions in our green policies, issue green office guidelines, update staff on new green initiatives adopted, and seek staff's suggestions. Floor Green Ambassadors have been appointed to assist the Green Manager in promoting green awareness and implementing environmental programmes on a floor basis.

Green Education

Various measures were taken during the year to promote environmental awareness amongst staff, including:

- Displaying environmental protection promotional materials on notice boards;
- Posting notices and affixing stickers adjacent to relevant facilities to remind staff of energy saving;
- Releasing updated environmental protection information in the “Green Corner” of the Department’s Intranet; and
- Disseminating useful and practical “Green Tips” through e-mails and the Departmental Newsletter on a regular basis to all staff to promote green habits.



Environmental Protection Performance in 2024-25

To balance operational needs with environmental care and social responsibility, the Department focuses its efforts to conserve energy, reduce paper consumption, minimise waste production, encourage waste recycling, and to provide a healthy working environment with satisfactory indoor air quality.

Energy Conservation

The Department is proactive in energy conservation and has implemented various energy saving measures to reduce electricity and water consumption at the Inland Revenue Centre. The following energy saving measures were adopted during the year:



- Installing photovoltaic panel system and adopting the use of district cooling system;
- Installing occupancy sensors and daylight sensors at office areas;
- Reducing lighting to the minimum required level for illumination;
- Adopting the “last-man-out” arrangement to ensure that lights and electric facilities / appliances are switched off during lunch hour, after office hours or when not in use;
- Adjusting timers so that lights in office areas and lift lobbies are switched off outside office hours and on Saturdays, Sundays and public holidays;
- Adjusting the number and service hours of escalators and lifts according to their usage demands;
- Using auto-sensor water taps in all toilets to reduce water consumption;

- Using computers, fluorescent tubes, LED lights and other electrical appliances that are energy efficient;
- Maintaining air-conditioned room temperature at 25.5°C in summer months;
- Controlling air-conditioning and ventilation systems automatically in accordance with occupancy of individual rooms; and
- Encouraging the use of electric fans to improve air circulation when necessary.

These measures will continue to be implemented in the Department to conserve energy.

Adherence to the “3R” Principle

The Department continues to adhere to the 3R principle - “Reduce, Reuse and Recycle” in the consumption of materials.

Reduction and Reuse of Paper

The Department adopted the following specific measures in the year to reduce paper consumption:

- Encouraging staff to minimise photocopying, use recycled paper instead of virgin paper, use duplex printing and photocopying, and to make the best use of the blank side of used paper;
- Processing leave applications through the “Electronic Leave Application and Processing System”;
- Reusing stationery, such as envelopes and file jackets;
- Avoiding the use of fax cover sheets and using the blank side of used paper to print incoming fax messages;
- Encouraging paperless means of internal and external communication by using e-mail;
- Uploading internal information, such as circulars, administrative instructions, Staff Handbooks, training and reference materials, guidelines, monthly reports, meeting minutes, etc. onto the Intranet to facilitate updating and retrieval online, and dispensing with the keeping of personal hard copies;
- Reviewing regularly the need for the printing of periodical reports, the distribution lists of outgoing correspondence and the number of hard copies required for circulation;
- Promoting the use of multiple screen printing for online enquiries;
- Using templates or overlay printing to replace pre-printed forms;
- Viewing reports online through the Computer Output Online Retrieval System, thus obviating the need for printing computer reports in hard copies;
- Encouraging the public to file tax returns electronically through eTAX and to use the Department’s electronic services under the GovHK website;
- Uploading e-Seminars for employers to reduce paper consumption, thus obviating the need to print invitation letters, tickets and handouts; and
- Implementing e-Procurement system for purchase of goods and services which helps reduce paper consumption.

Waste Recycling

The Department encourages all staff members to participate in the recycling programmes. Recycling bags and boxes are placed at conspicuous locations on all floors of the Inland Revenue Centre to facilitate the collection of recyclable wastes, namely papers, aluminium cans, plastic bottles, metals and other plastics. A recycling box for glass bottles is also placed at the lobby of the ground floor for use of the public and staff. Besides, used printer cartridges are also collected for recycling. Throughout the year, 385,527kg of waste paper, 353kg of aluminium cans / metals, 1,503kg of plastic bottles / other plastics, 139kg of glass bottles and 2,737 used printer cartridges were collected.



Smoke-free Workplace

No-smoking signs are displayed at conspicuous locations in the offices of the Department. Circulars are re-circulated regularly to remind staff about the importance of maintaining a smoke-free working environment and providing green healthy public areas to visitors.

Indoor Air Quality

We attach great importance to good indoor air quality. During the year, the Department has conducted a comprehensive indoor air quality measurement in the offices, based on the result of which the Environmental Protection Department issued the "Indoor Air Quality Certificate (Excellent Class)" to the Department.

New Initiatives and Targets

The Department will strive to enhance its green performance through formulating new initiatives and targets for environmental protection and reviewing the effectiveness of existing green measures taken. The Intranet and the Departmental Portal will continue to be widely utilised for the enhancement of e-office facilities. Continuous efforts will be made to promote expansion of green procurement and reduction in consumption of resources including electricity and paper.

chapter 12

Miscellaneous

Charitable Institutions

Charitable institutions are exempt from tax under section 88 of the Inland Revenue Ordinance. As at 31 March 2025, there are 10,849 charities recognised as exempt from tax, of which 584 charities were given recognition during the year. The Department endeavors to give a reply to applicants for recognition of tax exemption status within 4 months of the date of receipt of the application provided that all the required information and documents are received.

Donations to charities exempt from tax under section 88 of the Inland Revenue Ordinance are tax deductible. Members of the public may check the list of charitable institutions and trusts of a public character which are exempt from tax uploaded on the Department's website to ascertain whether their donations can be claimed for tax deduction. For the year of assessment 2023-24, the amounts of approved charitable donations allowed under profits tax and salaries tax were \$4.77 billion and \$7.45 billion respectively.



General Inspection

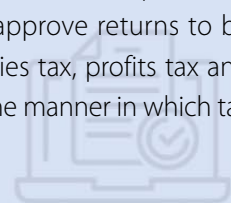
Tax inspectors carry out on-site inspections of businesses and call on individuals to check their compliance with the various ordinances administered by the Department. A total of 68,264 visits were made during the year.

Internal Audit

Internal auditors carry out audit activities on various Units and sections regularly to ensure that the work performed within the Department complies with relevant legislation and departmental procedures. They also examine internal control systems and work methods with a view to identifying areas where improvement can be made for the management's consideration.

Approval for Tax Return Forms and the Manner of Furnishing Tax Returns

The Board of Inland Revenue is constituted under the Inland Revenue Ordinance. It operates independently of the Inland Revenue Department. One of its functions is to approve returns to be used for property tax, salaries tax, profits tax and personal assessment, and the manner in which tax returns are furnished.



chapter 13

The 5th Belt and Road Initiative Tax Administration Cooperation Forum

Mega Event in the International Tax Community

The Department hosted the 5th Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF) at the AsiaWorld-Expo from 24 to 26 September 2024. This marked a significant milestone as it was the first time Hong Kong staged this prestigious event in the international tax community. As the largest international tax event organized by the Department, the 5th BRITACOF was also featured on Hong Kong's 2024 Calendar of Mega Events.



The Forum attracted approximately 500 delegates, including tax officials, experts and representatives from international organisations, academic institutions and business enterprises across 50 countries and regions. Participants gathered to discuss emerging tax issues and share insights on tax administration. Distinguished officiating guests included the Chief Executive, Mr John Lee and the Secretary for Financial Services and the Treasury, Mr Christopher Hui. The Chief Executive delivered the welcome address at the opening ceremony, and formally inaugurating the Forum.

The 5th BRITACOF, themed "Deepening Tax Administration Cooperation for High-Quality Belt and Road Development", featured in-depth discussions on five key topics: raising tax certainty, promoting tax administration digitalisation, improving tax environment, reinforcing capacity building of tax administration and optimising tax administration measures in the financial sector. A dedicated Business and Industry Dialogue session fostered interactive communication among tax officials and stakeholders from business and industrial sectors. The then Deputy Commissioner, Mr Benjamin Chan, delivered keynote speeches and participated in the panel discussions, sharing Hong Kong's practices and experiences, and served as moderator for the session on optimizing tax administration in the financial sector.



Fruitful Results Yielded

The 5th BRITACOF served as a pivotal platform for strengthening tax administration cooperation and capacity building among the Belt and Road Initiative jurisdictions. Over the three-day forum, participants reached consensus on deepening future collaboration and achieved significant outcomes, including four outcomes of the task forces of the Nur-Sultan Action Plan (2022-2024), the release of the Joint Statement of the 5th BRITACOF and the Hong Kong Action Plan (2025-2027), the Annual Report of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) (2024), the admission of Maldives Inland Revenue Authority as a new BRITACOM Council member tax administration, and the establishment of the Belt and Road Initiative Tax Academy·Algiers.



Deepening Regional and International Tax Cooperation

Hong Kong leveraged the 5th BRITACOF to deepen tax cooperation within the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and with the international community. On the sidelines, The Chief Executive, Mr John Lee met with Mr Hu Jinglin, the Commissioner of the State Taxation Administration, and to witness the signing of a memorandum of understanding (MOU) on tax cooperation within the GBA among the finance and taxation departments of Guangdong Province, Shenzhen, the Hong Kong Special Administrative Region (SAR) and the Macao Special Administrative Region. The MOU aims to promote the co-ordination of tax administration and services in the GBA and facilitate Hong Kong's active integration into the overall national development. The deepened tax cooperation in the GBA can enhance Hong Kong's tax competitiveness and create a more favourable business environment.



On international front, Secretary for Financial Services and the Treasury, Mr Christopher Hui held bilateral meetings separately with representatives from Kazakhstan, Maldives, Tajikistan and Türkiye to discuss deepening tax cooperation. Our Commissioner also participated in the bilateral meetings. At the margin of the Forum, Mr Christopher Hui signed a comprehensive avoidance of double taxation agreement (CDTA) with the Government of the Republic of Türkiye on behalf of the Hong Kong SAR Government, marking a step forward and further expanding our CDTA network.

Cementing Hong Kong's strategic role

The 5th BRITACOF's significant outcomes advance the Belt and Road Initiative's goals. Hong Kong, with its globally renowned simple, transparent tax system and efficient administration, is uniquely positioned as "super-connector" and "super-value-adder" for the Belt and Road tax cooperation. Hosting the 5th BRITACOF cemented Hong Kong's role as a key functional platform for the initiative and its contribution to a sustainable tax environment. The insights gained are invaluable for enhancing the quality and capacity of our tax administration.

Showcasing Hong Kong



To showcase Hong Kong's hospitality and tell the good story of Hong Kong, we welcomed delegates with various cultural experiences, including a lion dance and a face-changing performance at the welcome dinner, a Victoria Harbour cruise, visits to the Hong Kong Palace Museum and M+ museum, and rides on Ngong Ping 360 cable cars, highlighting Hong Kong's unique East-meets-West character.



Looking ahead

The Department will continue to participate in international tax fora, including BRITACOM and the coming BRITACOFs. This allows Hong Kong to contribute expertise to shaping international tax rules while elevating its global profile. We will leverage our unique position and strength for maintaining deep international connections.

The BRITACOM



The Department became a founding member of the BRITACOM in 2019. Established under the lead of the State Taxation Administration, the BRITACOM is a non-profit official mechanism for tax administration cooperation amongst the jurisdictions that subscribe to the Belt and Road Initiative. The BRITACOM consists of the Council, the BRITACOF, the Belt and Road Initiative Tax Administration Capacity Enhancement Group and the Secretariat.

With the vision of facilitating cross-border trade and investment and fostering regional economic growth, the BRITACOM aims at removing tax obstacles and building a growth-friendly tax environment through cooperation and sharing of best practices on tax administration matters, thereby contributing to the fulfilment of inclusive and sustainable development. With the strong support from the international community, the BRITACOM has been a multilateral cooperation platform in taxation promoting knowledge sharing and collaborations among tax administrations of the Belt and Road Initiative participating jurisdictions.

The BRITACOF is a non-profit official event hosted every 12 months by member tax administrations in rotation. The BRITACOF serves as an effective platform for tax administrations to have in-depth discussions on tax issues of common interest and to engage in active dialogues with business representatives. The first five BRITACOFs were hosted by the Chinese Mainland, Kazakhstan, Algeria, Georgia and Hong Kong, China respectively. The 6th BRITACOF was hosted by Nepal in September 2025 and the 7th BRITACOF will be hosted by Indonesia in 2026.



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- 2** Demand Notes Issued, Tax Assessed and Collections (2021-22 to 2024-25)
- 3** Profits Tax Contributions from Various Business Sectors (Corporations) for years of assessment 2021-22 to 2023-24
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Schedule 1 EARNINGS AND PROFITS TAX – TAX ASSESSED AND COLLECTIONS FOR THE YEAR ENDED 31 MARCH 2025

	Property Tax	Salaries Tax	Profits Tax (Corporations)	Profits Tax (Unincorporated Businesses)	Personal Assessment	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Tax assessed during the year -						
2022-23 and earlier years	355,532,978	414,562,951	4,728,868,666	285,995,807	412,243,192	6,197,203,594
2023-24 Final Tax only	227,998,973	(168,296,875)	(3,397,215,029)	476,837,309	7,781,380,948	4,920,705,326
2024-25 Provisional Payments and Final Tax	3,903,450,653	94,157,809,498	171,712,061,708	6,883,040,669	1,043,159	276,657,405,687
Total Tax Assessed	4,486,982,604	94,404,075,574	173,043,715,345	7,645,873,785	8,194,667,299	287,775,314,607
Add: Collectables -						
Tax outstanding as at 31 March 2024 brought forward	1,469,685,258	16,890,687,285	39,986,984,673	2,901,204,349	580,385,321	61,828,946,886
Surcharge, Compound Penalty and Additional Tax imposed and Costs awarded by the Board of Review	71,743,785	409,954,257	923,437,600	211,346,563	11,121,815	1,627,604,020
Interest on Tax Held Over	27,321	503,154	18,995,985	334,475	1,167,061	21,027,996
Write-off re-opened	651,432	19,138,382	790,566	3,262,607	862,419	24,705,406
Total of Tax Assessed and Collectables (a)	6,029,090,400	111,724,358,652	213,973,924,169	10,762,021,779	8,788,203,915	351,277,598,915
Collections during the year -						
Net Tax collected	3,910,251,906	88,570,453,432	169,548,671,056	7,165,624,579	8,213,240,493	277,408,241,466
(After allowing for refunds of tax)	172,632,315	5,388,620,158	12,813,997,672	443,325,578	626,759,282	19,445,335,005
Surcharge, Compound Penalty, Additional Tax and Costs awarded by the Board of Review	73,375,611	307,728,018	785,650,383	174,520,192	9,262,317	1,350,536,521
Interest on Tax Held Over	28,376	609,793	12,957,987	424,698	755,069	14,775,923
Total Net Collections (b)	3,983,655,893	88,878,791,243	170,347,279,426	7,340,569,469	8,223,257,879	278,773,553,910
Balance of Tax, Surcharge, etc. payable (a) - (b)	2,045,434,507	22,845,567,409	43,626,644,743	3,421,452,310	564,946,036	72,504,045,005
Less: Not collected by virtue of set-off	542,606,253	5,951,800,125	0	254,064,521	0	6,748,470,899
Written-off as irrecoverable	1,950,705	30,750,668	374,852,905	13,117,799	3,269,085	423,941,162
Tax, Surcharge, etc. outstanding as at 31 March 2025 carried forward	1,500,877,549	16,863,016,616	43,251,791,838	3,154,269,990	561,676,951	65,331,632,944
Less: Under objection or appeal	11,109,495	413,381,910	25,385,066,972	215,396,929	137,224,819	26,162,180,125
Listed for write-off but awaiting approval	18,979	200,149	93,890	65,703	145,042	523,763
Assessed but not yet due	554,907,746	9,215,435,374	8,752,111,554	675,752,771	137,160,541	19,335,367,986
Net Tax, Surcharge, etc. in arrears as at 31 March 2025	934,841,329	7,233,999,183	9,114,519,422	2,263,054,587	287,146,549	19,833,561,070

Schedule 2 EARNINGS AND PROFITS TAX – DEMAND NOTES ISSUED, TAX ASSESSED AND COLLECTIONS

	2021-22		2022-23		2023-24		2024-25	
	No. of Demand Notes	Tax Assessed	No. of Demand Notes	Tax Assessed	No. of Demand Notes	Tax Assessed	No. of Demand Notes	Tax Assessed
		(\$'000)		(\$'000)		(\$'000)		(\$'000)
Profits Tax -								
Corporations	126,024	148,753,113	142,447	170,161,238	136,139	155,033,355	147,974	173,043,715
Unincorporated Businesses	35,672	5,642,014	39,403	7,387,416	41,619	6,921,532	43,360	7,645,874
Salaries Tax	1,401,941	77,670,397	1,467,390	83,520,648	1,579,709	86,054,330	1,772,009	94,404,076
Property Tax	157,405	4,097,603	168,171	4,389,019	162,164	4,303,459	163,685	4,486,983
Personal Assessment	134,076	6,152,117	137,968	6,682,941	148,056	7,223,639	165,400	8,194,667
Total	1,855,118	242,315,244	1,955,379	272,141,262	2,067,687	259,536,315	2,292,428	287,775,315

	2021-22		2022-23		2023-24		2024-25	
	Collections		Collections		Collections		Collections	
		(\$'000)		(\$'000)		(\$'000)		(\$'000)
Profits Tax -								
Corporations		162,088,120		167,087,894		162,198,604		170,347,279
Unincorporated Businesses		5,247,452		7,124,577		8,299,082		7,340,570
Salaries Tax		75,570,184		79,490,374		79,869,792		88,878,791
Property Tax		3,984,485		3,842,152		3,906,443		3,983,656
Personal Assessment		6,457,339		6,719,841		7,321,907		8,223,258
Total		253,347,580		264,264,838		261,595,828		278,773,554

Schedule 3 CORPORATIONS – PROFITS TAX CONTRIBUTIONS FROM VARIOUS BUSINESS SECTORS

Business Sectors	Final Tax Assessed for Year of Assessment					
	2021-22		2022-23		2023-24	
	(\$'000)	(%)	(\$'000)	(%)	(\$'000)	(%)
Distribution -						
Retail	2,468,503	1.5	2,598,874	1.7	3,554,544	2.3
Wholesale, Import and Export	39,672,508	24.9	43,390,130	28.0	43,404,265	28.1
Foreign Corporations carrying on Import and Export	40,306	0.1	47,165	0.1	38,950	0.1
Public Utilities	5,458,278	3.4	4,181,365	2.7	4,622,575	3.0
Property	24,054,135	15.1	21,015,590	13.6	16,109,603	10.4
Investment and Finance (other than Banking)	13,973,442	8.8	11,380,912	7.4	10,722,388	6.9
Banking	27,628,564	17.3	28,684,583	18.5	35,637,580	23.0
Manufacturing -						
Clothing and Textiles	473,922	0.3	699,048	0.4	517,339	0.3
Food and Beverage Products	369,848	0.2	244,345	0.2	320,873	0.2
Steel and Other Metals	274,918	0.2	575,249	0.4	228,089	0.1
Printing and Publishing	306,247	0.2	268,715	0.2	249,107	0.2
Others	3,581,543	2.2	3,639,196	2.3	3,268,139	2.1
Shipping (including Shipping Agents, Shipbuilding, Docking, Travel Agents, Air Forwarding Agents and Airline Booking Agents)	3,635,569	2.3	3,345,731	2.2	1,515,392	1.0
Hotels, Restaurants and Amusement Centres	1,094,989	0.7	1,167,704	0.7	1,583,648	1.0
Stevedoring, Wharfing and Godowns	2,004,899	1.3	1,539,547	1.0	1,023,237	0.7
Clubs and Associations	2,466,140	1.5	2,745,271	1.8	2,045,798	1.3
Insurance Companies and Insurance Agents	4,564,976	2.9	4,085,764	2.6	5,147,843	3.3
Non-resident Corporations Trading through Agents (including Consignment Tax)	2,150,946	1.3	2,252,475	1.4	2,524,341	1.6
Building Contractors and Engineering Works	2,972,257	1.9	3,077,949	2.0	3,521,121	2.3
Aircraft Owners and Operators	231,543	0.1	362,393	0.2	196,611	0.1
Taxis, Hire Cars, Public Light Buses and Motor Boats	126,596	0.1	117,987	0.1	97,118	0.1
Miscellaneous	21,825,345	13.7	19,280,227	12.5	18,327,533	11.9
Total	159,375,474	100.0	154,700,220	100.0	154,656,094	100.0

Schedule 4 UNINCORPORATED BUSINESSES – PROFITS TAX CONTRIBUTIONS FROM VARIOUS BUSINESS SECTORS

Business Sectors	Final Tax Assessed for Year of Assessment					
	2021-22		2022-23		2023-24	
	(\$'000)	(%)	(\$'000)	(%)	(\$'000)	(%)
Property Developers, Property Dealers, Property Agents and Subletting Businesses	40,624	0.9	28,855	0.6	27,456	0.5
Finance and Securities including Brokers, Dealers and Insurance Agents	369,611	8.0	364,149	8.1	738,115	14.5
Builders, Decorators and Civil Engineering Works	58,010	1.3	70,062	1.6	81,014	1.6
Distribution -						
Import and Export	61,271	1.3	64,388	1.4	52,852	1.0
Wholesale	34,451	0.7	38,375	0.9	35,619	0.7
Retail	256,476	5.6	268,508	6.0	296,983	5.8
Manufacturing -						
Agricultural Trades and Food & Beverage Products Manufacturers	4,358	0.1	4,479	0.1	4,632	0.1
Cloth and Clothing	2,318	0.1	3,790	0.1	3,923	0.1
Chemical Products and Mechanical Engineering	63,427	1.4	67,799	1.5	75,161	1.5
Printing and Publishing	5,547	0.1	5,645	0.1	5,061	0.1
Others	18,520	0.4	16,557	0.4	18,539	0.4
Hotels, Restaurants and Amusement Centres	43,865	0.9	58,478	1.3	65,950	1.3
Transport (including Wharfing and Godowns)	35,807	0.8	41,540	0.9	44,860	0.9
Professions -						
Accountants	368,514	8.0	369,674	8.3	470,841	9.3
Architects, Engineers, Surveyors, etc.	2,772	0.1	2,360	0.1	2,742	0.1
Doctors and Dentists	945,132	20.5	963,852	21.5	1,067,109	21.0
Solicitors and Barristers	1,809,252	39.3	1,555,013	34.8	1,319,681	26.0
Other Professions	443,162	9.6	497,995	11.1	713,774	14.1
Miscellaneous	43,596	0.9	51,935	1.2	52,287	1.0
Total	4,606,713	100.0	4,473,454	100.0	5,076,599	100.0

Schedule 5 ANALYSIS OF SALARIES TAX ASSESSMENTS FOR THE YEAR OF ASSESSMENT 2023-24 BY INCOME GROUP

Annual Income	No. of Taxpayers	Percentage of Taxpayers	No. of Elections for Joint Assessment	Total Income (After Deductions other than Self Education Expenses and Concessional Deductions)	Total Allowances (See analysis per Schedule 6)	Self Education Expenses	Concessional Deductions								Total Net Chargeable Income	Final Tax	Percentage of Total Final Tax	Average Tax per Taxpayer
							Total Donations to Charities	Home Loan Interest	Elderly Residential Care Expenses	Contributions to Recognized Retirement Schemes	Tax Deductible MPF Voluntary Contributions	Qualifying Annuity Premiums	Qualifying Premiums under the Voluntary Health Insurance Scheme Policy	Domestic Rents				
(\$)		(%)		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(%)	(\$)
132,001 - 200,000	156,017	7.94	0	26,813,546	20,710,082	25,395	79,750	43,820	1,978	487,366	31,665	14,379	76,615	28,123	5,314,373	0	0.00	0
200,001 - 300,000	419,305	21.34	912	105,820,457	63,445,719	320,604	365,883	738,070	31,105	2,505,187	208,741	311,125	354,195	636,997	36,902,831	668,374	0.75	1,594
300,001 - 400,000	357,523	18.19	7,617	124,088,637	67,731,310	512,787	527,526	1,551,759	61,039	3,336,505	314,425	563,128	447,717	1,166,148	47,876,293	2,280,555	2.56	6,379
400,001 - 500,000	253,153	12.88	10,839	113,095,590	57,033,443	499,584	574,428	1,961,689	70,287	2,920,957	341,221	843,100	416,341	1,195,988	47,238,552	3,401,694	3.82	13,437
500,001 - 600,000	183,364	9.33	12,599	100,438,242	47,665,590	388,505	576,727	2,032,779	67,915	2,230,266	335,721	1,049,214	370,127	1,046,138	44,675,260	4,080,103	4.59	22,251
600,001 - 700,000	123,838	6.30	12,651	80,062,506	35,834,981	260,318	481,876	1,778,361	53,995	1,572,826	303,457	1,021,465	284,715	754,397	37,716,115	3,976,052	4.47	32,107
700,001 - 800,000	101,153	5.15	10,405	75,812,596	31,193,784	211,087	508,331	1,791,699	52,934	1,324,012	303,658	1,169,708	263,089	641,614	38,352,680	4,477,351	5.03	44,263
800,001 - 900,000	70,342	3.58	7,331	59,527,207	22,406,044	159,979	385,859	1,462,298	40,533	942,132	240,898	961,279	192,932	462,152	32,273,101	4,039,598	4.54	57,428
900,001 - 1,000,000	61,914	3.15	4,758	58,711,104	19,765,047	132,961	458,325	1,366,309	39,271	855,129	254,143	1,051,341	183,153	420,393	34,185,032	4,521,979	5.08	73,036
1,000,001 - 1,500,000	127,376	6.48	9,250	153,177,690	41,249,747	282,817	1,108,247	2,945,203	87,518	1,665,928	650,238	2,413,241	357,760	870,146	101,546,845	14,592,239	16.41	114,560
1,500,001 - 2,000,000	48,701	2.48	2,553	83,349,090	16,037,265	92,880	563,962	1,144,540	37,230	609,890	289,665	1,002,120	129,452	323,503	63,118,583	9,707,467	10.91	199,328
2,000,001 - 3,000,000	35,216	1.79	1,497	84,202,394	10,536,295	70,176	557,583	778,081	21,297	414,924	222,937	675,299	81,018	236,322	70,608,462	11,024,041	12.39	313,041
3,000,001 - 5,000,000	17,244	0.88	465	64,613,488	3,741,322	24,849	416,288	320,701	8,073	195,507	111,281	282,233	32,903	116,454	59,363,877	9,184,634	10.32	532,628
5,000,001 - 7,500,000	5,102	0.26	57	30,586,108	348,743	5,432	201,105	85,883	2,416	57,405	26,920	66,693	8,223	31,507	29,751,781	4,490,518	5.05	880,149
7,500,001 - 10,000,000	1,988	0.10	5	17,027,439	6,389	1,961	114,134	30,010	510	21,660	8,850	23,099	3,371	13,713	16,803,742	2,515,396	2.83	1,265,290
10,000,001 & over	2,899	0.15	5	67,470,533	0	2,194	526,517	37,983	736	31,687	9,087	25,717	3,504	23,215	66,809,893	10,012,789	11.25	3,453,877
Total	1,965,135	100.00	80,944	1,244,796,627	437,705,761	2,991,529	7,446,541	18,069,185	576,837	19,171,381	3,652,907	11,473,141	3,205,115	7,966,810	732,537,420	88,972,790	100.00	45,276

Note : "No. of Taxpayers" represents the population with tax assessed before the implementation of a one-off tax reduction of 100% (capped at \$3,000).

Schedule 6 ANALYSIS OF ALLOWANCES GRANTED FOR THE YEAR OF ASSESSMENT 2023-24 BY INCOME GROUP

Annual Income	Basic Allowance	Married Person's Allowance	Child Allowance	Dependent Brother/Sister Allowance	Single Parent Allowance	Dependent Parent Allowance	Additional Dependent Parent Allowance	Dependent Grandparent Allowance	Additional Dependent Grandparent Allowance	Disabled Spouse Allowance	Disabled Parent Allowance	Disabled Grandparent Allowance	Disabled Child Allowance	Disabled Brother/Sister Allowance	Personal Disability Allowance	Total Allowances
(\$)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
132,001 - 200,000	20,594,244	0	0	6,713	0	94,625	12,550	1,950	0	0	0	0	0	0	0	20,710,082
200,001 - 300,000	53,968,992	2,758,536	557,570	128,213	158	3,903,375	1,817,450	94,975	26,400	0	33,525	750	0	20,100	135,675	63,445,719
300,001 - 400,000	41,951,184	10,483,704	2,393,653	189,862	9,082	7,703,725	4,272,375	194,025	60,075	17,850	277,650	5,325	11,625	58,800	102,375	67,731,310
400,001 - 500,000	28,067,028	10,698,336	5,152,597	171,075	229,058	7,605,625	4,198,425	225,400	65,950	40,875	379,650	7,200	31,275	76,200	84,750	57,033,444
500,001 - 600,000	19,048,392	10,311,312	7,490,520	118,875	299,416	6,431,800	3,111,750	198,700	57,450	38,850	350,175	9,675	64,650	71,400	62,625	47,665,590
600,001 - 700,000	12,010,152	8,672,928	7,281,400	76,200	246,998	4,784,475	2,107,125	137,175	35,475	33,900	266,925	7,500	69,053	60,375	45,300	35,834,981
700,001 - 800,000	9,730,116	7,244,160	7,295,715	57,225	222,043	4,319,425	1,728,550	118,200	29,175	27,000	247,350	7,500	74,175	53,550	39,600	31,193,784
800,001 - 900,000	6,725,400	5,119,488	5,451,178	40,913	149,615	3,227,275	1,244,225	88,450	21,700	17,325	196,950	6,300	52,800	40,725	23,700	22,406,044
900,001 - 1,000,000	6,080,844	4,183,608	5,016,179	34,425	139,966	2,878,000	1,036,450	69,850	15,000	16,725	176,025	4,050	52,425	42,000	19,500	19,765,047
1,000,001 - 1,500,000	11,974,512	9,678,240	11,052,301	64,538	267,894	5,620,675	1,829,625	144,600	28,050	32,775	331,950	13,050	100,987	76,575	33,975	41,249,747
1,500,001 - 2,000,000	4,340,820	4,175,424	4,722,882	19,312	98,802	1,934,150	504,300	45,750	6,900	7,725	107,325	3,600	35,775	25,425	9,075	16,037,265
2,000,001 - 3,000,000	1,959,804	3,307,920	3,631,170	11,888	78,863	1,131,175	276,675	25,200	2,900	3,975	62,775	1,650	23,475	15,975	2,850	10,536,295
3,000,001 - 5,000,000	379,236	1,296,504	1,643,141	2,925	38,016	283,325	61,675	4,450	850	1,125	16,050	525	8,475	4,425	600	3,741,322
5,000,001 - 7,500,000	13,068	121,440	177,840	337	2,508	24,150	5,750	450	50	75	1,200	75	1,125	675	0	348,743
7,500,001 - 10,000,000	264	2,112	3,250	37	0	400	100	0	0	0	75	0	75	75	0	6,388
10,000,001 & over	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	216,844,056	78,053,712	61,869,396	922,538	1,782,419	49,942,200	22,207,025	1,349,175	349,975	238,200	2,447,625	67,200	525,915	546,300	560,025	437,705,761

Schedule 7 PROPERTY STATISTICS (as at 31 March 2025)

Classification of Properties	No. of Properties	%
(i) Solely owned by individuals [excluding those under item (iv)] (Rental income, if any, is reported in Tax Returns-Individuals)	1,279,976	46.88
(ii) Jointly owned, owned by tenants-in-common, and solely owned other than by individuals [excluding those under item (iv)] - Letting (Reported in Property Tax Returns)	116,042	
Other usage or vacant	441,159	20.41
(iii) Owned by corporations and exempted from property tax under the Inland Revenue Ordinance	451,399	16.53
(iv) With alienation restriction under Home Ownership Scheme or Private Sector Participation Scheme	364,625	13.35
(v) New ownership - awaiting classification	77,219	2.83
Total	2,730,420	100.00

Classification by Number of Owners	No. of Properties	%
Properties owned by: 1 owner	2,014,074	73.77
2 owners	656,455	24.04
3 owners	34,324	1.26
4 owners	10,886	0.40
5 owners	5,269	0.19
6 - 10 owners	7,478	0.27
11 - 20 owners	1,692	0.06
Over 20 owners	242	0.01
Total	2,730,420	100.00

Schedule 8 BUSINESS REGISTRATION STATISTICS

Fiscal Year	2021-22	2022-23	2023-24	2024-25
New registrations	140,219	162,265	147,739	177,657
Re-opened registrations	10,002	11,730	11,068	10,116
Cancelled registrations	152,774	138,294	164,196	174,002
Current registrations as at 31 March	1,547,595	1,583,296	1,577,907	1,591,678
Paid Certificates (including certificates with annual fees waived)*	1,578,054	1,658,152	1,552,839	1,621,599
Businesses exempted from payment of fees	9,808	9,448	16,706	21,750
Extracts of information issued	445,024	438,385	430,856	438,582
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Fees and penalties collected (excluding levy)*	57,312	128,926	2,816,096	3,326,658
Court fines	8,435	8,016	10,551	12,007
Fees and penalties in arrears as at 31 March (excluding levy)	37,165	27,032	189,791	243,940

* The annual fees in respect of business and branch certificates with commencement dates falling within the period from 1 April 2021 to 31 March 2023 were waived. With effect from 1 April 2024, the annual fees in respect of business and branch certificates were increased by 10%.

Schedule 9 STAMP DUTY COLLECTIONS AND STAMP OFFICE ACTIVITIES

Fiscal Year	2021-22		2022-23		2023-24		2024-25	
		(\$m)		(\$m)		(\$m)		(\$m)
Duties on -								
• Property Assignments and Chargeable Agreements		32,843.6		15,880.7		11,631.5		10,718.8
• Contract notes								
- Collected by Stamp Office		4,770.8		3,327.0		1,809.3		2,008.9
- Collected through The Stock Exchange of Hong Kong Limited		<u>61,150.0</u>	65,920.8	<u>49,796.9</u>	53,123.9	<u>34,778.4</u>	36,587.7	<u>50,164.3</u>
• Leases		610.8		693.6		674.6		801.3
• Transfer deeds		1.0		1.2		1.2		1.4
• Other documents		247.6		252.8		186.8		164.0
Penalties		53.0		24.1		29.8		21.4
Additional duties for delays in payment		0.5		0.2		0.1		0.1
Total duty collections		99,677.3		69,976.5		49,111.7		63,880.2
Average number of callers to Stamp Office per day		1,468		1,300		1,235		1,211
Number of documents stamped during the year		1,580,345		1,581,305		1,390,944		1,426,461

Schedule 10 ESTATE DUTY ASSESSED AND COLLECTIONS FOR THE YEAR ENDED 31 MARCH 2025

	Assessments issued before 1 April 2024	Assessments issued in 2024-25						Additional Assessments	Total
		Original Assessments							
		Estates valued under \$2m	Estates valued \$2m to \$4m	Estates valued \$4m to \$10m	Estates valued \$10m to \$20m	Estates valued over \$20m			
(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)		
Outstanding charges brought forward from 2023-24	105,853	-	-	-	-	-	-	105,853	
Less: Amount discharged	-	-	-	-	-	-	-	-	
Net outstanding charges brought forward from 2023-24	105,853	-	-	-	-	-	-	105,853	
Net duty assessed	-	3	-	-	1,320	4,804	700	6,827	
Penalties charged	-	1	-	-	396	1,440	217	2,054	
Interest charged	2,355	20	-	-	2,071	9,215	498	14,159	
Total amount payable	108,208	24	-	-	3,787	15,459	1,415	128,893	
Less: Amount paid on account before 1 April 2024	-	-	-	-	-	6,549	701	7,250	
Net duty, penalties and interest payable in 2024-25	108,208	24	-	-	3,787	8,910	714	121,643	
Less: Outstanding charges carried forward to 2025-26	108,208	-	-	-	-	8,910	90	117,208	
Net duty, penalties and interest paid in 2024-25	-	24	-	-	3,787	-	624	4,435	
Add: Duty and interest paid on account in respect of assessments to be issued in subsequent years	-	-	-	36	5,592	-	-	5,628	
Total collections in 2024-25	-	24	-	36	9,379	-	624	10,063	

Schedule 11 BETTING DUTY COLLECTIONS

Fiscal Year	2022-23		2023-24		2024-25	
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Horse Racing						
Day Meetings						
Net Stake Receipts	10,631,360		9,881,663		9,482,726	
Betting Duty		7,774,248		7,226,908		6,918,708
Night Meetings						
Net Stake Receipts	8,768,795		8,603,788		8,047,130	
Betting Duty		6,407,693		6,288,888		5,864,934
Horse Race Betting Duty (For rates, please refer to Figure 22 of Chapter 3)		14,181,941		13,515,796		12,783,642
Lotteries (Mark Six)						
Proceeds from Lotteries	6,769,211		8,391,581		9,062,848	
Lotteries Duty (Rate: 25%)		1,692,303		2,097,895		2,265,712
Football Betting						
Net Stake Receipts	19,899,282		20,906,637		22,124,724	
Football Betting Duty (Rate: 50%)		9,949,641		10,453,319		11,062,362
Special Football Betting Duty		0		2,400,000		2,400,000
Total duty collected		25,823,885		28,467,010		28,511,716

Schedule 12 TAX RESERVE CERTIFICATES STATISTICS

Fiscal Year	Sales		Redemption		
	Number of Certificates	Amount	Number of Certificates	Amount	Interest
2021-22		(\$'000)		(\$'000)	(\$'000)
Save for Tax Payment					
• Paper certificate	1	1	14	25	1
• Save-As-You-Earn Scheme	40,009	80,436	46,387	87,417	119
• Electronic Tax Reserve Certificates Scheme	44,113	349,979	46,936	379,170	326
Security for Tax in Dispute	1,092	3,133,413	1,430	3,486,200	8,232
Total	85,215	3,563,829	94,767	3,952,812	8,678
2022-23		(\$'000)		(\$'000)	(\$'000)
Save for Tax Payment					
• Paper certificate	-	-	1	-	-
• Save-As-You-Earn Scheme	38,954	83,830	41,010	84,968	88
• Electronic Tax Reserve Certificates Scheme	41,997	339,574	44,766	363,250	198
Security for Tax in Dispute	946	2,413,492	1,602	3,028,070	4,500
Total	81,897	2,836,896	87,379	3,476,288	4,786
2023-24		(\$'000)		(\$'000)	(\$'000)
Save for Tax Payment					
• Paper certificate	1	2	14	10	2
• Save-As-You-Earn Scheme	38,357	84,466	48,915	93,102	251
• Electronic Tax Reserve Certificates Scheme	41,315	325,299	44,906	323,702	718
Security for Tax in Dispute	1,058	3,008,748	1,451	3,093,966	11,365
Total	80,731	3,418,515	95,286	3,510,780	12,336
2024-25		(\$'000)		(\$'000)	(\$'000)
Save for Tax Payment					
• Paper certificate	1	-	5	3	-
• Save-As-You-Earn Scheme	37,305	85,720	44,245	89,319	381
• Electronic Tax Reserve Certificates Scheme	42,530	352,727	45,628	378,553	1,478
Security for Tax in Dispute	884	3,155,320	1,189	1,984,009	13,600
Total	80,720	3,593,767	91,067	2,451,884	15,459

Schedule 13 EARNINGS AND PROFITS TAX – OFFENCES COMMITTED AND COURT FINES IMPOSED

2024-25

	Inland Revenue Ordinance										Total	
	Failure to submit return and other offences [section 80(1)&(2)(d)]		Failure to comply with Court Order [section 80(2B)]		Wilfully with intent to evade tax or to assist other persons to evade tax [section 82]		Furnishing incorrect return, statement or information [section 80(2)(a),(b)&(c)]		Failure to comply with the requirement of section 51(2) to notify the chargeability [section 80(2)(e)]			
	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines
		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)
Profits Tax												
• Corporations	13,724	37,674,100	1,705	8,015,850	0	0	0	0	0	0	15,429	45,689,950
• Unincorporated Businesses	702	1,838,600	195	908,200	0	0	0	0	0	0	897	2,746,800
Salaries Tax												
• Employees	2,676	5,175,000	563	2,202,250	0	0	0	0	0	0	3,239	7,377,250
• Employers	830	2,284,650	269	1,252,200	0	0	0	0	0	0	1,099	3,536,850
Property Tax												
• Individuals	53	88,300	7	25,000	13	743,368	0	0	0	0	73	856,668
Total	17,985	47,060,650	2,739	12,403,500	13	743,368	0	0	0	0	20,737	60,207,518

Note 1 : Fines do not form part of the revenue collected by the Inland Revenue Department

Note 2 : Convictions under section 82 are liable to court fines and imprisonment

Note 3 : The number of cases pending hearing as at 31 March 2025 is 56,849

Schedule 14 EARNINGS AND PROFITS TAX – SURCHARGES ADDED, OFFENCES COMPOUNDED, ADDITIONAL TAX IMPOSED AND COSTS AWARDED BY THE BOARD OF REVIEW

2024-25

	Property Tax		Salaries Tax		Profits Tax (Corporations)		Profits Tax (Unincorporated Businesses)		Personal Assessment		Total	
	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount
		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)
Surcharge for late payment of tax	21,156	40,536,304	192,170	342,591,723	21,511	233,470,328	9,987	49,257,038	11,083	9,820,915	255,907	675,676,308
Compound Penalties for offences under the Inland Revenue Ordinance												
• section 51(4B)*	0	0	0	0	7	12,000	1	600	0	0	8	12,600
• section 80(1)	17	99,300	1,086	3,459,764	184	9,885,200	139	7,169,000	0	0	1,426	20,613,264
• section 80(2)	1,079	26,046,681	11,421	48,627,920	7,317	501,115,272	1,082	106,679,025	98	153,900	20,997	682,622,798
• section 80G/H/I	0	0	0	0	9	27,000	0	0	0	0	9	27,000
• section 82(1)	22	4,513,600	84	9,827,050	103	130,048,500	43	28,145,800	2	11,000	254	172,545,950
Additional Tax imposed under section 82A of the Inland Revenue Ordinance	55	547,900	90	5,412,800	522	48,814,300	96	20,095,100	9	1,136,000	772	76,006,100
Costs awarded by the Board of Review	0	0	2	35,000	4	65,000	0	0	0	0	6	100,000
Total	22,329	71,743,785	204,853	409,954,257	29,657	923,437,600	11,348	211,346,563	11,192	11,121,815	279,379	1,627,604,020

* Including penalties imposed by the Court

