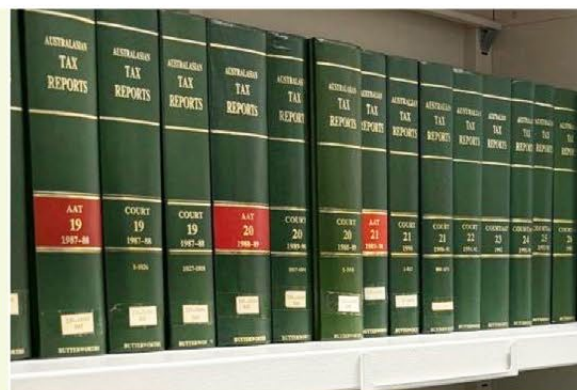


chapter 10

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%