



**Inland Revenue Department**

# Guide to Tax Return- **Individuals**

**(BIR60)**

**(4/2024)**

This Guide explains how to complete the Tax Return - Individuals (BIR60). Most of your questions will be answered here. If you need other information or assistance, you may:

- visit [www.ird.gov.hk](http://www.ird.gov.hk) for Allowances, Deductions and Tax Rate Table, Related Tax Rules, Specimen of Completed Tax Return - Individuals and other information under 'Tax Information : Individuals'
- use the 'Fax-A-Form' Service (2598 6001), select the language and press the following keys to obtain: Allowances, Deductions and Tax Rate Table [Key (2) (2)], Related Tax Rules [Key (2) (5)], Specimen of Completed Tax Return - Individuals [Key (2) (4)], Proforma Profits Tax Computation Form [IR957A(e)] [Key (2) (8)]
- mail (G.P.O. Box 132, Hong Kong) or fax (2877 1232) your written enquiries to the Assessor, quoting your file number and day-time contact telephone number
- telephone 187 8022 during the service hours (Service hours - Monday to Friday 8:15 a.m. to 12:30 p.m. ; 1:30 p.m. to 5:30 p.m. except Public Holidays)
- call at the Central Enquiry Counter at G/F of the Inland Revenue Centre, 5 Concorde Road, Kai Tak, Kowloon, Hong Kong

For information on submission of tax return through the Internet, please visit [www.gov.hk/etax](http://www.gov.hk/etax).

## (A) Personal Information Collection Statement

It is obligatory for you to supply the personal data as required by the return and any required supplementary forms. Breach of the statutory requirement may render you liable to penalty or other actions as provided under the Ordinances administered by the Department. Moreover, if you fail to supply the required information, your application/request/notification will not be accepted for processing. The Department will use the information provided by you for the purposes of the Ordinances administered by it and may disclose/transfer any or all of such information to any other parties provided that the disclosure/transfer is authorized or permitted by law. Except where there is an exemption provided under the Personal Data (Privacy) Ordinance, you have the right to request access to and correction of your personal data. You should send such request in writing to the Assessor at GPO Box 132, Hong Kong and quote your file number in this Department.

## (B) Forms and documents to be Submitted

- This tax return consists of the BIR60, the Appendix to BIR60 and any required supplementary forms. You should complete and sign the BIR60, the Appendix to BIR60 (if applicable) and any required supplementary forms and submit them to this Department within the time limit stipulated in the return whether you have income chargeable to tax or not.
- If space provided on the tax return, its appendix or supplementary forms is insufficient, please give the details on a separate sheet of paper and **make a remark about this on the return, appendix or supplementary forms**. Staple the sheet inside the return and put your file number and signature at the bottom of the sheet.
- Documentary evidence in support of your deduction or allowance claims **need not** be submitted now but should be retained for a period of at least **6 years** after the expiration of the relevant year of assessment. You may be required to provide such evidence in the event that your case is subsequently selected for review.
- If you claim relief under any Double Taxation Arrangement or apply for full or partial exemption of income, supporting documents **should be** submitted with the return. Please refer to pages 16 and 17 of this Guide for details.

## (C) Guidance on General Matters

- Whenever a name is required in the return, it must be stated exactly as shown on the Hong Kong Identity (HKID) Card. For any person without a HKID Card, the name should be the same as that either in the passport or the Birth Certificate.
- The term ‘year’ refers to the year of assessment printed on the front page of the return. A year of assessment runs from 1 April to 31 March, e.g. Year of Assessment **2024/25** runs from **1 April 2024 to 31 March 2025**.
- To rectify any errors or omissions in your return after submission, please notify this Department in writing as soon as possible. Please state your name, file number, the relevant year of assessment, details of your amendments and sign your notification.
- This return should be completed in blue or black ink.
- All amounts must be shown in HK dollars (**excluding cents**).

## (D) How to Complete the Return

### Part 1 Personal Particulars

This part **must be** completed.

- ‘Spouse’ means your lawful spouse under a valid marriage recognized by Hong Kong law or other legal marriage recognized by the law of the place where it was entered into.
- If you or your spouse does not have a HKID Card now, but subsequently gets a HKID Card, please inform this Department of the HKID Card number **within 1 month**.
- If you change your postal address or marital status after lodging your return, you should inform this Department immediately in writing.

## Part 2 Notification

- Tick the appropriate box if any item listed is applicable and complete the relevant part(s) in the Appendix.
- Tick box **4** if you have appointed an authorized representative, whether existing or newly appointed.
- Inform this Department immediately in writing if there is any change of appointment of authorized representative after tax return is filed.
- Tick box **6** and complete Section 3 of the Appendix if you claim relief under Double Taxation Arrangement.

## Part 3 Property Tax

- Only report details of properties which you were the **SOLE OWNER**, as registered in the Land Registry, and were **LET** during the year in this part.
- Do not report rental income from properties jointly owned or co-owned by you here. Separate Property Tax Returns will be issued in respect of the jointly owned or co-owned properties. If you have not received a Property Tax Return for any let property that is jointly owned or co-owned by you, please fill in Form IR6129 or inform this Department in writing. You may get this form from our website or the 'Fax-A-Form' Service. Please refer to the front cover for more information.
- The property location should be the full address as registered in the Land Registry.
- The rental income in item (3) should be the gross rental income for the whole letting period in the year, not monthly rental.
- Apart from the deductions in item (4), you are not entitled to any further deductions such as Government rent, management fee, renovation or refurbishment expenses and utilities charges, etc. A statutory allowance for repairs and outgoings at 20% of the assessable value will be automatically granted in the assessment.
- If you had more than two **SOLELY-OWNED** properties let during the year, supply details of other properties in the same format on a separate sheet. Then enter the **TOTAL** no. of properties let, amount of the rates paid by you and irrecoverable rent and gross rental income after deductions of all properties let in boxes **8**, **9** and **10** respectively.
- In case you are the executor of the estate of a deceased **SOLE OWNER** of properties, you should declare income from the properties owned by the deceased in the return issued to you in the capacity of the executor of the estate of the deceased owner, **not in your own return**.

**Attention:** Election for Personal Assessment may reduce your tax liability.

## Part 4 Salaries Tax

- You should report income (before deducting your mandatory contributions to recognized retirement schemes) arising in or derived from Hong Kong which is received or receivable during the year. Income includes income from an office, employment (on a full-time, part-time or casual basis) or pension from a former employer.
- Even if full or partial tax exemption is claimed or relating back of lump sum is applied, the gross amount should be declared in box **30**. Fill in the amount to be excluded in box **34** and complete Section(s) 2 and /or 4 of the Appendix.

### 4.1 Income Accrued to Me During the Year

- Income includes all income and perquisites from the employer or others. Award of shares and share option gain are chargeable income. For share option gain, the gain will be taxable when the option is exercised, assigned or released. Even if the option is exercised after you have left the employment, the gain is still taxable.
- Holiday journey benefits are taxable. The benefits are to be assessed by reference to the amount paid by the employer for such benefits.
- Please refer to 'Related Tax Rules' for types of income to be included, their definitions and / or computation methods. Please refer to the notes on the front cover of this Guide Book on how to obtain a copy of the rules.

## • Example to show how Part 4.1 is to be completed

Details of income from Company A		Details of income from Company B	
Salary	\$75,000	Salary	\$180,000
Commission	10,000	Commission	4,000
Share awards (Note 1)	5,000	Share option gain (Note 2)	30,000
Cash Allowance	3,000	Income from a non-Hong Kong company	120,000
Contract gratuity (Note 3)		Salaries tax paid by employer	8,000
(1/7/2022 – 30/6/2024)	150,000	Bonus	2,500
	<u>\$243,000</u>		<u>\$344,500</u>

### (Note 1) Share Awards

Company A granted the employee 2,000 shares on 5/5/2024 as a part of the employee's remuneration. On this date, the market value was \$2.5 per share.

Calculation of taxable amount in year 2024/25:  $\$2.5 \times 2,000 = \$5,000$

### (Note 2) Share Option Gain

On 15/7/2024, Company B granted an option to the employee to purchase 1,000 shares in Company B at an exercise price of \$100 per share. The employee had 3 years to exercise the option. On 5/8/2024, the employee exercised his option to purchase 600 shares. The market price on this date was \$150 per share. On 25/5/2025, he exercised his option again to purchase 400 shares. The market price on this date was \$160 per share.

Calculation of taxable amount in year 2024/25:  $(\$150 - 100) \times 600 = \$30,000$

Calculation of taxable amount in year 2025/26:  $(\$160 - 100) \times 400 = \$24,000$

### (Note 3) Relating Back of Contract Gratuity

The contract gratuity \$150,000 was received for the contract period of 24 months from 1/7/2022 to 30/6/2024.

Calculation of taxable amount in year 2024/25:  $\$150,000 \times 3/24 = \$18,750$

Calculation of taxable amount to be related back to years:

2022/23:  $\$150,000 \times 9/24 = \$56,250$ ; 2023/24:  $\$150,000 \times 12/24 = \$75,000$

State all employers from which you derived income chargeable to tax during the year, including part-time jobs (Do not include any business(es) in which you or your spouse is the proprietor / partner).

Enter your gross income before contributions to MPF scheme or ORSO scheme from each employer. Exclude non-taxable termination payments which the employer paid to you in accordance with the Employment Ordinance.

**4.1 INCOME accrued to me during the year (report amount before deducting your mandatory contributions to recognized retirement schemes and exclude amount reported in Part 4.2)**

(1)	Name of employer	Capacity employed	Period	Total amount (\$)
	Company A	Manager	1.4.2024 – 30.6.2024	243,000
	Company B	Senior Manager	1.7.2024 – 31.3.2025	344,500
	Pension			

Grand total (Including the income items in boxes **31**, **32** and **33** below) → \$       **30**

(i) share option gain (received on retirement / termination of employment contracts, deferred pay or arrears of pay)      **31** \$      **32** \$      **33**

(2) Amount to be excluded from the grand total by reason of relating back of the amount in box **32** and / or exemption of income \$       **34**

(Must also complete Section(s) 2 and / or 4 of the Appendix if the above item (2) is applicable.)

(3) I received income from a non-Hong Kong company for my employment or services rendered in Hong Kong.  ☒ Yes **35**

(4) My employer(s) paid Salaries Tax for me.  ☒ Yes **36**

This box MUST be completed.

If you had received any of these items of income during the year, enter the amounts in the appropriate boxes. The amounts should also be included in box **30** of item (1) above. Full particulars of share option gain should be supplied on a separate sheet.

If you wish to claim exemption of income and / or relating back of a lump sum payment to an earlier period in respect of income reported in box **32**, enter the amount here. Also complete the additional details in Section(s) 2 and / or 4 of the Appendix. (Please refer to pages 16 and 17 of this Guide for details.)

Tick here if you had income from a non-Hong Kong company in connection with your employment / assignment in Hong Kong or services rendered in Hong Kong. Otherwise, tick the 'No' box.

Tick here if your employer paid Salaries Tax on your behalf during the year. Otherwise, tick the 'No' box.

## 4.2 Place of Residence Provided by Each Employer or Associated Corporation During the Year

- A place of residence provided to you by your employer or its associated corporation is chargeable to tax based on the 'rental value'. You have to fill in the value of ALL places of residence provided in box **37** and complete Section 5 of the Appendix.
- Rental value is calculated as a percentage of the total income from your employer and the associated corporation which provided the residence after deductions of the outgoings and expenses. The percentage used depends on the nature of the residence provided:

<u>Nature of Residence</u>	<u>Percentage</u>
House or flat, including serviced apartment	10
Hotel, hostel or boarding house accommodation – no more than 2 rooms	8
Hotel, hostel or boarding house accommodation – no more than 1 room	4

- If the place of residence is a residential property, you may elect to substitute the rental value at 10% with the rateable value.

### Examples to show calculation of value of place of residence provided by your employer for the full year:

<u>Period provided: 1/4/2024 to 31/3/2025</u>	<u>Scenario 1</u>	<u>Scenario 2</u>
Income for the year	\$810,000	\$3,010,000
Rent paid by your employer to landlord	\$240,000	–
Rent paid by you to the landlord	–	\$360,000
Rent paid by you to your employer	\$36,000	–
Rent refunded to you by your employer	–	\$300,000
Deductible outgoings and expenses	\$10,000	\$10,000
Rateable value per Demand for Rates	\$166,000	\$280,000
Rateable value of place of residence provided	<u>\$130,000</u>	<u>\$220,000</u>
(after deduction of rent paid or rent suffered, if any)		
Value of place of residence provided	<u>\$44,000</u>	<u>\$240,000</u>

#### • Scenario 1:

$$\begin{aligned} &\text{Value of place of residence provided} \\ &= \$ (810,000 - 10,000) \times 10\% - \$36,000 \\ &= \underline{\underline{\$44,000}} \end{aligned}$$

Enter \$44,000 in box **37** and complete Section 5 of the Appendix.

*Enter the details for each of the places of residence provided to you by your employer(s) or any associated corporation during the year.*

Section 5 PLACE OF RESIDENCE PROVIDED by each employer or associated corporation during the year				
Address	Nature (e.g. house/flat, serviced apartment, no. of rooms in hotel, etc.)	Period provided	Name of my EMPLOYER or ASSOCIATED CORPORATION providing residence	
A1 Richard Gardens, Big Road, Hong Kong	Flat	1.4.2024 – 31.3.2025	Chan & Co Ltd	
Rent paid by my EMPLOYER or ASSOCIATED CORPORATION to landlord (\$)	Rent paid by ME to landlord (\$)	Rent refunded to ME by my EMPLOYER or ASSOCIATED CORPORATION (\$)	Rent paid by ME to my EMPLOYER or ASSOCIATED CORPORATION (\$)	Rateable value, if elected (\$)
240,000	–	–	36,000	–

#### • Scenario 2:

$$\begin{aligned} &\text{Value of place of residence provided} \\ &= \$ (3,010,000 - 10,000) \times 10\% - \$ (360,000 - 300,000) \\ &= \underline{\underline{\$240,000}} \end{aligned}$$

Enter \$220,000 in box **37** and complete Section 5 of the Appendix, since it is more advantageous to elect for rateable value.

- If the place of residence is provided for part of the year, the amounts in the calculation should be for the period provided. Adjust the rateable value proportionately if the place of residence was not provided for the full year and you have elected for rateable value.
- If the computed value of the places of residence provided by employers is in the negative, enter '0' in box **37** and complete Section 5 of the Appendix.

### 4.3 Deductions

- (1) Outgoings and expenses are limited to those wholly, exclusively and necessarily incurred in the production of your assessable income, not being expenses of a domestic or private nature and capital expenditure.
  - (2) Expenses of self-education (box [39](#))
    - Deductible education expenses include tuition and examination fees in connection with a prescribed course of education or fees of an examination set by specified education providers or trade, professional or business associations. The course or the examination must be for gaining or maintaining qualifications for use in any employment.
    - A 'prescribed course of education' is one undertaken at a specified education provider (list of providers is available at [www.gov.hk/en/residents/taxes/salaries/allowances/deductions/selfeducation.htm](http://www.gov.hk/en/residents/taxes/salaries/allowances/deductions/selfeducation.htm)), such as university, college, school, technical institution, training centre, institution specifically approved by the Commissioner of Inland Revenue or a training or development course provided by a trade, professional or business association or one accredited or recognized by specified professional bodies or institutions.
    - Deduction is only allowed if the expenses have not been or will not be reimbursed by the employer or any other person, unless the reimbursed or reimbursable amount has been or will be included in the assessable income. If the amount was reimbursed to you after it has been claimed or allowed for deduction, you should inform this Department immediately.
    - The deductible amount shall not exceed the amount prescribed in the Inland Revenue Ordinance.
  - (3) Approved charitable donations (box [40](#))
    - Donations must be in respect of those made to tax-exempt charities in Hong Kong or Government for charitable purposes and supported by receipts. List of tax-exempt charities is available at [www.ird.gov.hk/eng/pdf/s88list\\_emb.pdf](http://www.ird.gov.hk/eng/pdf/s88list_emb.pdf).
    - The aggregate deduction of approved charitable donations must not be less than \$100 and shall not exceed 35% of your income after allowable expenses and depreciation allowances.
    - Enter the NET AMOUNT of approved charitable donations made by you or your spouse (not living apart) during the year after excluding the donations already claimed in your spouse's return.
  - (4) Mandatory contributions to recognized retirement schemes in capacity of an employee (box [41](#))
    - Enter the actual amount of contributions made to occupational retirement scheme (ORSO Scheme) or the amount of mandatory contributions paid by you as an employee to a Mandatory Provident Fund Scheme (MPF Scheme). The deductible amount shall not exceed the amount prescribed in the Inland Revenue Ordinance.
- Attention:** You must read Section (B) on Page 1 on documentary evidence in support of your deduction claims made under this Part.

### 4.4 Election for Joint Assessment

- A married couple may elect to receive a joint assessment under Salaries Tax if they would pay less tax under a single assessment based on their combined income and allowances than under two separate assessments based on their respective individual incomes and allowances.
- There is no need for joint assessment election if your spouse did not have assessable income under Salaries Tax. If your spouse also did not make election for personal assessment separately from you, you should complete Part 12.1 and Married Person's Allowance will be given to you automatically. Refer to Part 12.1 on page 13 for further details.
- A married couple electing for joint assessment are still required to complete their returns which they received. You and your spouse must sign in Part 13 on both returns to indicate that you both agree to elect for joint assessment.

## Part 5 Profits Tax

- Report sole proprietorship businesses [whether the business(es) had any activities or not] in this Part. If you had more than two sole proprietorship businesses, supply details in the same format on a separate sheet. [See Section (B) on Page 1]
- Complete items (1) and (2) and enter '0' in items (3) to (9) for sole proprietorship businesses which were dormant or had already ceased business for the whole year.
- Do not report partnerships of which you were a partner or sole proprietorship businesses which had changed to partnerships and vice versa during the year. Separate Profits Tax returns will be issued to the partnerships.
- Do not report corporations of which you were a shareholder. Separate Profits Tax returns will be issued to the corporations.
- Declare the profits / (losses) from the businesses, trades or professions for the basis period. 'Basis period' means either the year ended 31 March during the relevant year of assessment or the accounting period ending on a day within the relevant year of assessment.

### Completion of items in Part 5

- Gross income means all types of income, including ordinary business income, proceeds from sale of capital assets and other non-taxable receipts, whether or not derived from the principal activities. (boxes 44 & 56)
- Turnover includes amounts received / receivable from goods sold or services rendered. (boxes 45 & 57)
- Gross profit / (loss) is the amount of turnover after deducting cost of goods sold. For a business not involving sale of goods, enter '0' for this item. (boxes 46 & 58)
- Assessable profits / (Adjusted losses) must be computed in accordance with the Inland Revenue Ordinance. Add non-deductible expenses charged in the accounts onto the net profit per account or deduct them from the net loss to arrive at the assessable profits / (adjusted losses). Salaries paid to, benefits received by the proprietor or his / her spouse, proprietor's domestic or private expenditure, capital expenditure and non-business expenses are not deductible. For more details, refer to 'Related Tax Rules'. See the front cover of this Guide Book on how to obtain a copy. (boxes 48 & 60)
- State whether the business is chargeable at two-tiered profits tax rates (applicable to the year of assessment 2018/19 and subsequent years). If the business had no connected entity for the subject year or no other connected entity elects to be so chargeable, the business is chargeable at two-tiered rates. For connected entities, the two-tiered rates will only be applicable to one of them. If your business had connected entities for the subject year and elects to be chargeable at two-tiered rates, you are required to complete Section 6 of the Appendix. (boxes 51 & 63)
- If you wish to claim profits tax concessions for profits sourced in Hong Kong from eligible intellectual property income, you are required to tick box 54 and /or 66 (applicable to the year of assessment 2023/24 and subsequent years). You are also required to download the supplementary form SP5 from the Department's webpage ([www.ird.gov.hk/soleprop\\_e](http://www.ird.gov.hk/soleprop_e)) for completion. After completion, you have to print and sign on supplementary form SP5, and submit it together with the tax return.
- You may use the PROFORMA PROFITS TAX COMPUTATION FORM [IR957A(e)] and attach it to your return. Each business should have a separate computation. See the front cover of this Guide Book on how to obtain a copy.

**Attention:** Election for Personal Assessment may reduce your tax liability.

### Documents and Information to be Submitted in Part 5

- (a) For each business with **gross income not exceeding \$2,000,000** for the basis period: Supporting documents listed in (b) below need not be submitted with the return. However, you **must** complete the return in accordance with the supporting documents. Retain these documents as you may be required to submit them later.



- (b) For each business with **gross income over \$2,000,000** for the basis period, provide:
- (i) A certified copy of the Statement of Financial Position / Balance Sheet and Statement of Comprehensive Income / Profit and Loss Account for the basis period;
  - (ii) A tax computation with supporting schedules showing how the amount of assessable profits / (adjusted losses) has been arrived at;
  - (iii) A Realization Statement if the business ceased during the year. If the business was transferred to and carried on by another person, provide the name under which the business is carried on by the transferee;
  - (iv) In respect of interest paid, the names and addresses of the recipients together with the purpose for which the money was borrowed and any security provided to the lenders;
  - (v) A list of all new capital items (e.g. plant and machinery, vehicles, furniture and buildings) purchased during the basis period, the date of purchase and purchase price of each item. For items acquired under hire purchase agreements, state the purchase price and the number and amount of instalments paid, excluding interest;
  - (vi) Changes in the method of valuation of opening or closing inventories or work in progress if applicable;
  - (vii) A list of properties rented. For each property rented, state full name and address of the landlord or recipient of rent paid, the exact location of the property, the total rent paid and the period covered;
  - (viii) Payments made to contractors and / or subcontractors and commission paid showing the amount, full name and address of the recipients and HKID Card numbers or business registration numbers if available. [The information can be supplied in Form IR56M which is available from this Department on written request by quoting the business registration number of your business(es).]
- (c) Sufficient records must be kept for each business and retained for at least 7 years after the date of the transaction to which they relate.

## **Part 6 Deemed Assessable Profits under section 20AE, 20AF, 20AX and / or 20AY of the Inland Revenue Ordinance**

- You are required to tick the box **67** and declare the deemed assessable profits in Section 9 of the Appendix if:
  - (i) the assessable profits of a non-resident person / special purpose vehicle beneficially owned by a non-resident person are exempt from tax under section 20AC/20ACA of the Inland Revenue Ordinance, and the non-resident person is your associate or you, alone or jointly with your associate(s), hold 30% or more of beneficial interest in the non-resident person;
  - (ii) for the year of assessment 2019/20 and subsequent years, the assessable profits of a fund falling within the meaning given by section 20AM of the Inland Revenue Ordinance are exempt from tax under section 20AN of the Inland Revenue Ordinance, and during any part of the year the fund is your associate or you (alone or jointly with any of your associates) hold a beneficial interest of 30% or more in the fund; or
  - (iii) for the year of assessment 2019/20 and subsequent years, the assessable profits of a special purpose entity, in which a fund satisfying (ii) above has a beneficial interest, are exempt from tax under section 20AO of the Inland Revenue Ordinance.
- See Schedule 15, 15A, 15C and/or 15D of the Inland Revenue Ordinance in calculating the deemed assessable profits and 'Related Tax Rules' in this Department's web site for details.

## **Part 7 Personal Assessment**

- (1) The persons who may elect for Personal Assessment (for the year of assessment 2018/19 and subsequent years):
- An individual who is of or above the age of 18 years or is under that age if both parents are dead; and who is either ordinarily resident in Hong Kong or a temporary resident.
  - If the individual is married, either one or both of the couple are eligible to make an election for personal assessment and both of them have income assessable under the Inland Revenue Ordinance, they may jointly make an election for personal assessment.



- If the individual is eligible to make an election for personal assessment and his/her spouse does not have income assessable under the Inland Revenue Ordinance, the individual can elect for Personal Assessment himself/herself.
  - If the individual and his/her spouse are jointly assessed under Salaries Tax, the election for personal assessment should be made by both of them jointly.
- (For years of assessment up to 2017/18, if the individual is married, the election for personal assessment must be jointly made with the spouse. The individual and the spouse's income from all sources are aggregated to compute tax liability.)**
- (2) You are required to tick either box **68** **OR** box **69** (tick **ONE BOX ONLY**).
- Tick box **68** if you fulfil any of the following conditions:
    - you are single; or
    - you are married and your spouse has no income chargeable to tax (i.e. no salaries income, rental income and business income)  
(Note: Married Person's Allowance will be granted if your spouse did not have any assessable income during the year and has not elected for Personal Assessment separately); or
    - you are married and you wish to elect for Personal Assessment separately from your spouse.
  - Tick box **69** if you are married and both of you and your spouse had income chargeable to tax, and you wish to elect for Personal Assessment jointly with your spouse.
  - Do not elect for Personal Assessment if you and your spouse only had income chargeable to Salaries Tax.
- (3) Meaning of 'ordinarily resident' and 'temporary resident':
- An individual will be regarded as 'ordinarily resident in Hong Kong' if he / she resides in Hong Kong voluntarily and for a settled purpose (such as for education, business, employment or family etc.) with sufficient degree of continuity. Such person should habitually and normally reside in Hong Kong apart from temporary or occasional absences of long or short duration, and is living in Hong Kong as an ordinary member of the community for all the purposes of his / her daily life. Please refer to Part 12.4 on page 14 of this Guide for the explanation of 'ordinarily resident in Hong Kong'.
  - 'Temporary resident' means an individual who stays in Hong Kong for more than 180 days during the year of assessment in respect of which the election is made or for more than 300 days in 2 consecutive years of assessment one of which is the year of assessment in respect of which the election is made.
- (4) You must complete this part even though you and / or your spouse have / has made the election for Personal Assessment in other Profits Tax returns or Property Tax returns.

## **Part 8 Deduction for Interest Payments / Domestic Rents**

### **8.3 Deduction for Interest Payments to Produce Rental Income from Properties**

- **If you have elected for Personal Assessment in Part 7**, you may claim deduction of the interest paid by you during the year in respect of a loan obtained for the purpose of acquiring a solely / jointly owned or co-owned property in Hong Kong which was let.
- Fill in your share of interest paid. Your share of interest must be proportional to the number of joint tenants / share of your ownership. Amount allowed for deduction will not exceed the net assessable value of each individual property as proportionately reduced.
- Interest payments relating to periods when the property was not let (e.g. occupation as residence for your own family or vacant) are not deductible.

## 8.4 Deduction for Home Loan Interest

- Deduction for home loan interest can be claimed under Salaries Tax or Personal Assessment.
- You may claim deduction of the interest paid by you in respect of a loan obtained for the purpose of acquiring a property in Hong Kong which was used by you as your place of residence, provided that the loan was secured by a mortgage or charge and the lending institution providing the loan to you was an approved one.
- The deduction of the home loan interest was the interest you actually paid in the year of assessment, subject to a maximum amount for the year of assessment as specified. Fill in your share of total interest paid (boxes 74 , 88 & 102 ). Your share of interest must be proportional to the number of joint tenants / share of your ownership. Amount to be allowed for deduction will be restricted to the prescribed amount as proportionately reduced.
- For the years of assessment 2018/19 to 2023/24, the maximum amount is \$100,000. Starting from the year of assessment 2024/25, if the prescribed conditions are met, apart from the aforementioned basic deduction, you may be allowed an additional deduction capped at the ceiling amount of \$20,000. Hence, coupled with the basic deduction ceiling amount of \$100,000, the increased deduction ceiling amount is \$120,000. Refer to Part 8.6 for the details.
- For the basic deduction, the number of years of deduction is 20 years of assessment, whether continuous or not. However, you are only entitled to claim the home loan interest additional deduction or domestic rents additional deduction for an aggregate of 19 years of assessment, whether continuous or not. Notwithstanding this, you will not be allowed the home loan interest additional deduction if home loan interest basic deduction has been allowed to you for 20 years of assessment, regardless of whether any home loan interest additional deduction has been allowed to determine the amount of deduction for any of those 20 years.
- Ownership of a property is by reference to the registered owners of the property as shown in the record maintained by the Land Registry.
- Spouse nomination: Your spouse who is entitled to a deduction for home loan interest but has no income chargeable to tax, may nominate you to claim the deduction, see examples under Scenario 2 and Scenario 3. If your spouse has income from employment, property, trade, profession or business chargeable to tax, he / she should not make the nomination but to elect for Joint Assessment or Personal Assessment, see example under Scenario 4.

### • Examples to show how Parts 8.3 and 8.4 are to be completed

- ♦ Scenario 1: You have 2 solely-owned properties, Property A and Property B. Property A was used as a residence for the full year and the Property B was let for rental income also for the full year. Property A was subject to a re-mortgaged loan.

Total interest paid by you:

Property A (1/4/2024 – 31/3/2025) = \$142,500 (See **Notes** for calculation of deductible interest \$120,000.)

Property B (1/4/2024 – 31/3/2025) = \$240,000

- ♦ Scenario 2: You have income chargeable to tax. Property A is owned by your spouse and used by the family as residence. Your spouse does not have income chargeable to tax and wishes to nominate you to claim interest deduction.

Total interest paid by your spouse:

Property A (1/4/2024 – 31/3/2025) = \$120,000

- ♦ Scenario 3: You and your spouse jointly own Property A for use as the family residence. Your spouse does not have income chargeable to tax and wishes to nominate you to claim his / her share of interest.

Total interest paid by you and your spouse:

Property A (1/4/2024 – 31/3/2025) = \$120,000 (share per person, \$60,000)

- ♦ Scenario 4: You and your spouse jointly own Property A and Property B, which were used at different periods as the family residence. Your spouse has income chargeable to tax.

Total interest paid by you and your spouse:

Property A (1/4/2024 – 30/6/2024) = \$30,000 (share per person, \$15,000)

Property B (1/7/2024 – 31/3/2025) = \$180,000 (share per person, \$90,000)

**Parts 8.1, 8.2, 8.3 and 8.4 should be completed as:**

Part	Scenario	1		2	3	4	
8.1	Location of Property	Pty A	Pty B	Pty A	Pty A	Pty A	Pty B
8.2(1)	Secured by a mortgage or charge	✓	✓	✓	✓	✓	✓
8.2(2)	A re-mortgaged loan is involved#	Yes					
8.2(3)	My share of ownership	100%	100%	0%	50%	50%	50%
8.3	My share of interest payments to produce the rental income		240,000				
8.4(1)(a)	Total home loan interest payments	142,500		120,000	120,000	30,000	180,000
8.4(1)(b)	My share of home loan interest payments	142,500			60,000	15,000	90,000
8.4(2)(a)	Nominated by spouse to claim deduction	Not Applicable	Not Applicable	Yes	Yes	Not Applicable	Not Applicable
8.4(2)(b)	My spouse's share of ownership			100%	50%		
8.4(2)(c)	My spouse's share of home loan interest payments			120,000	60,000		
8.4(3)	Property was occupied as my residence for FULL YEAR	✓	(Blank)	✓	✓	(Blank)	(Blank)

# If a re-mortgaged loan is involved, you must complete Section 10 of the Appendix. Please refer to page 17 of this Guide for details.

**Notes:** In Scenario 1 under Part 8.4, you had re-mortgaged Property A to ABC Bank on 1/7/2024 to obtain a new loan of \$2.5 million. At that date, the unpaid balance of the old loan was \$2 million.

The total mortgage interest paid during the year was:

1/4/2024 – 30/6/2024 = \$30,000 on old loan

1/7/2024 – 31/3/2025 = \$112,500 on new loan

Calculation of the allowable interest:  $\$30,000 + \$112,500 \times \frac{2,000,000}{2,500,000} = \$120,000$  \*

\* restricted to the deduction limit specified under the Inland Revenue Ordinance

## 8.5 Deduction for Domestic Rents

- (1) If you are chargeable to Salaries Tax or have tax charged under Personal Assessment, you may claim deduction of the rents paid by you or your spouse (not living apart) as a tenant under a qualifying tenancy (e.g. stamped tenancy agreement) of domestic premises. The deduction is applicable to the year of assessment 2022/23 and after.
- (2) The rented domestic premises must be used by you as your principal place of residence in Hong Kong.
- (3) For the years of assessment 2022/23 and 2023/24, the maximum amount of basic deduction allowable to you is, in general, \$100,000. Starting from the year of assessment 2024/25, if the prescribed conditions are met, apart from the aforementioned basic deduction, you may be allowed an additional deduction capped at the ceiling amount of \$20,000. Hence, coupled with the basic deduction ceiling amount of \$100,000, the increased deduction ceiling amount is \$120,000. If you are married, either you or your spouse or both of you are the tenant(s) of the qualifying tenancy, and both of you elect to use domestic rents additional deduction ceiling amount, the maximum amount of additional deduction allowable to the couple is \$20,000. Refer to Part 8.6 for the details.
- (4) Starting from the year of assessment 2024/25, you are entitled to claim the domestic rents or home loan interest additional deduction ceiling amount for an aggregate of 19 years of assessment, whether continuous or not.
- (5) Fill in the total amount of deduction claimed (i.e. basic deduction plus additional deduction, if applicable) (boxes [84](#), [98](#) & [112](#))
  - (a) The amount of deduction allowable is the lesser of **Qualifying Rental Amount** or the **deduction ceiling for the tenancy** in relation to the year of assessment.
  - (b) **The Qualifying Rental Amount** is (i) the amount of rents paid under the tenancy in relation to the period, divided by the number of tenants under the tenancy; and (ii) if the premises are used partly as a place of residence and partly for other purposes, it is such part of the amount that is reasonable in the circumstances of the case.

- (c) **The deduction ceiling for the tenancy** is the maximum amount of deduction, to be reduced:
  - (i) if there is more than one tenant under the tenancy - in proportion to the number of co-tenants; and / or
  - (ii) if the contractual period of the tenancy covers only a part, but not the whole, of a year of assessment - in proportion to the contractual period of the tenancy that overlaps with the year of assessment.
- (d) If you are married and not living apart from your spouse, the total amount of deduction allowable to you and your spouse is the amount determined in accordance with paragraph (5)(a) above. You may claim deduction for the total amount of rents paid by you and / or your spouse, or in accordance with an agreement on the respective claim amount reached by you and your spouse, but the amount already claimed in your spouse's return should be excluded.
- (e) If you are married during part of a year of assessment, the above principle for determining the total amount of deduction allowable to you or your spouse (or both of you) will apply to that part of the year of assessment when you are married.
- (f) If there is more than one qualifying tenancy in relation to a year of assessment, the amount of deduction allowable to you or the total amount allowable to you or your spouse (or both of you), for the year of assessment is the aggregate of the amount determined in accordance with the above principle for each of the tenancies.
- (g) If there is more than one tenant under a qualifying tenancy, the rents paid under the tenancy will be taken to have been paid by each of the co-tenants in equal shares.
- (6) Circumstances in which deduction **is not** allowed:
  - (a) You or your spouse (not living apart):
    - (i) is the legal and beneficial owner of any domestic premises in Hong Kong;
    - (ii) is provided with a place of residence by employer or an associated corporation of the employer (including a refund for any rent paid); or
    - (iii) is a tenant or an authorised occupant of a public rental housing flat.
  - (b) The landlord of the rented property is an associate of you or your spouse (e.g. spouse, parents, child, brother/sister, partner, or a corporation controlled by you or your spouse, etc).
  - (c) The premises concerned is prohibited from being used for residential purposes or tenancy is prohibited under any law or a Government lease.
  - (d) The rents are allowable as a deduction under any other provision of the Inland Revenue Ordinance.
  - (e) Any rent paid in respect of any other domestic premises has been allowed to you or your spouse (not living apart) as a deduction for the same period for which the rent is paid.
  - (f) You or your spouse has entered into a lease purchase agreement in respect of the premises.
- (7) More information is available at [www.ird.gov.hk/eng/tax/drd.htm](http://www.ird.gov.hk/eng/tax/drd.htm).

## **8.6 Election for using the Home Loan Interest / Domestic Rents Additional Deduction Ceiling Amount**

- (1) From the year 2024/25 onwards, you may elect to use the home loan interest or domestic rents additional deduction ceiling amount. You may be allowed the aforementioned additional deduction if the following conditions are met:
  - (a) You reside, during the year of assessment concerned, with your child in Hong Kong for:
    - (i) a continuous period of not less than 6 months; or
    - (ii) a shorter period that the Commissioner of Inland Revenue considers reasonable in the circumstances;
  - (b) The child:
    - (i) was born on or after 25 October 2023; and
    - (ii) is, at any time during the year of assessment, under the age of 18;
  - (c) The amount of home loan interest paid or the qualifying rental amount concerned is larger than the home loan interest basic deduction ceiling amount or the domestic rents basic deduction ceiling amount for the relevant year of assessment;
  - (d) You claim to use in Part 8.4 or 8.5 of your return home loan interest basic deduction ceiling amount or domestic rents basic deduction ceiling amount, and their respective additional deductions ceiling amounts to determine the amount of home loan interest deduction and domestic rents deduction.

- (2) (a) If all the conditions under (1) are met and you wish to elect for using the additional deduction ceiling amount, you are required to enter either '1' or '2' in box [113](#) stating the period you are residing with your child in Hong Kong during the year.
- (b) You may be eligible for using the additional deduction ceiling amount if you reside with your child in Hong Kong for a period of less than 6 months. For details, you may refer to frequently asked question no. 4 at Department's webpage ([www.ird.gov.hk/eng/faq/adc.htm](http://www.ird.gov.hk/eng/faq/adc.htm)).
- (3) (a) If you are married and your spouse is eligible and wishes to elect for using the additional deduction ceiling amount, you are required to enter either '1' or '2' in box [114](#) stating the period he/she is residing with the child in Hong Kong during the year. Your spouse must sign in Part 13 to indicate that he/she agrees to elect.
- (b) Your spouse may be eligible for using the additional deduction ceiling amount if he/she resides with the child in Hong Kong for a period of less than 6 months. For details, you may refer to frequently asked question no. 4 at Department's webpage ([www.ird.gov.hk/eng/faq/adc.htm](http://www.ird.gov.hk/eng/faq/adc.htm)).
- (c) Even if box [114](#) is completed, if your spouse wishes to claim home loan interest deduction / domestic rents deduction, he/she is still required to make the claims in his/her own tax return, and elect to use the additional deduction ceiling amount (if appropriate).

## **Part 9 Qualifying Premiums Paid under Voluntary Health Insurance Scheme (VHIS) Policy**

- Qualifying premiums paid under a VHIS policy is deductible under Salaries Tax and Personal Assessment. The deduction is applicable to the year of assessment 2019/20 and after. (boxes [116](#), [123](#), [130](#) & [137](#))
- Enter the amount of qualifying premiums paid by you or your spouse for an insured person under a VHIS policy. Premiums already claimed in your spouse's return should be excluded.
- The insured person is either yourself or your specified relative, i.e. your spouse, child, your or your spouse's brother, sister, parent or grandparent.
- The insured person is either a HKID Card holder or if under the age of 11 and not a HKID card holder at any time during the year of assessment, his / her natural parent or adoptive parent must be a HKID Card holder when he / she was born or adopted.
- If the specified relative is your child, your or your spouse's brother / sister, he / she must be at any time during the year of assessment under the age of 18; or aged 18 or more but under the age of 25 and receiving full time education; or aged 18 or more but incapacitated for work by reason of physical or mental disability.
- If the specified relative is your or your spouse's parent / grandparent, he / she must be at any time during the year of assessment at the age of 55 or more, or eligible to claim an allowance under the Government's Disability Allowance Scheme.
- The deductible amount shall not exceed the amount prescribed in the Inland Revenue Ordinance.

## **Part 10 Deduction for expenses on Assisted Reproductive Services**

- Expenses on assisted reproductive services are deductible under Salaries Tax and Personal Assessment. The deduction is applicable to the year of assessment 2024/25 and after. (box [138](#)).
- Enter the amount of necessary expenses paid by you and / or your spouse for receiving assisted reproductive services in licensed centres. Expenses already claimed in your spouse's return should be excluded.
- For details, you may refer to [www.ird.gov.hk/eng/faq/ars.htm](http://www.ird.gov.hk/eng/faq/ars.htm).

## **Part 11 Qualifying Annuity Premiums and Tax Deductible MPF Voluntary Contributions**

- Qualifying annuity premiums and tax deductible MPF voluntary contributions (TVC) are deductible under Salaries Tax and Personal Assessment. The deduction is applicable to the year of assessment 2019/20 and after. (boxes [139](#), [140](#), [141](#) & [142](#))

- Eligibility for deduction
  - (a) Qualifying Annuity Premiums: The policy holder of a Qualifying Deferred Annuity Policy must be yourself and/or your spouse. The qualifying annuity premiums must be paid by you and/or your spouse (not living apart). The annuitant of the policy must be yourself and/or your spouse (being your spouse at any time during the year of assessment). The annuitant must be a HKID card holder during the relevant year of assessment.
  - (b) TVC: TVC is a type of contribution under the MPF system. To be eligible for deduction, you must be a TVC account holder and only contributions made to your TVC account are deductible. **Other types of MPF voluntary contributions are not deductible.**
- You may claim deduction for qualifying annuity premiums paid for your spouse, but premiums claimed in your spouse's return should be excluded.
- If you claim deductions in respect of both qualifying annuity premiums and TVC in a year of assessment, TVC are to be firstly allowed and qualifying annuity premiums are to be secondly allowed by the Department.
- The deductible amount shall not exceed the aggregate of qualifying annuity premiums and TVC paid during the year of assessment or the specified maximum deduction, whichever is lower.
- The aggregate amount of boxes 140 , 141 and 142 shall not exceed the specified maximum deduction prescribed in the Inland Revenue Ordinance.

## Part 12 Allowances and Elderly Residential Care Expenses

### 12.1 Married Person's Allowance and Personal Disability Allowance

- If you were married and your spouse did not have any income chargeable to Salaries Tax during the year and has not elected for personal assessment separately for the year, you will be granted Married Person's Allowance under Salaries Tax. Please tick "No" in box 143 and you need not complete Part 4.4.
- If you have elected for joint assessment under Salaries Tax in Part 4.4 and / or Personal Assessment jointly with your spouse in Part 7, you will also be granted Married Person's Allowance.
- If you were living apart but had not divorced from your spouse (who did not have any income chargeable to Salaries Tax) and you were maintaining or supporting him / her during the relevant year of assessment, tick box 144 and state the amount of maintenance fees paid by you during the year.
- If you are eligible to claim an allowance under the Government's Disability Allowance Scheme during the year, you are entitled to claim Personal Disability Allowance (box 146). The Department may verify the information with the Social Welfare Department.

### 12.2 Child Allowance and Dependent Brother or Dependent Sister Allowance

- You may claim allowance in respect of an unmarried child / brother / sister if you or your spouse at any time during the year maintained the child or were responsible, on an ongoing basis, for the provision of daily care and supervision for the brother / sister provided that the child / brother / sister was:
  - under the age of 18 years; or
  - of or over the age of 18 but under 25 and receiving full time education; or
  - of or over the age of 18 and incapacitated for work by reason of physical or mental disability.
- An additional one-off Child Allowance will be granted in the year the child was born.
- If you and your spouse both have income chargeable to Salaries Tax, **all Child Allowances must be claimed by either one of you.** The spouse who is nominated to claim the Child Allowance should make the claim for Child Allowance in this part.
- **Only one individual can be granted the Child Allowance or the Dependent Brother / Sister Allowance in respect of the same person.**



### 12.3 Single Parent Allowance

- If, throughout the year, you were single, divorced, widowed, married but living apart from your spouse, and were responsible, on an ongoing basis, for the provision of daily care and supervision for a child, you may claim Single Parent Allowance provided that you were entitled to be granted Child Allowance in respect of that child.
- You are not entitled to Single Parent Allowance merely by making financial contribution towards the maintenance and education of your child / children.

### 12.4 Dependent Parent and Dependent Grandparent Allowance and Elderly Residential Care Expenses

- You may claim allowance in respect of each dependent parent / grandparent maintained by you / your spouse, not being a spouse living apart from you, during the year provided that the dependant must at any time during the year be:
  - ordinarily resident in Hong Kong, which means that the dependant must be habitually and normally resident in Hong Kong. To determine whether a dependant is ordinarily resident in Hong Kong, the Department may consider objective factors including:
    - (i) the number of days he / she stayed in Hong Kong, the frequency of his / her visit to Hong Kong and the length of each stay; (ii) whether he / she has a permanent dwelling in Hong Kong; (iii) whether he / she owns a property for residence outside Hong Kong; (iv) whether he / she works or carries out a business in Hong Kong; (v) whether his / her relatives are mainly residing in Hong Kong;
  - aged 55 or more, or eligible to claim an allowance under the Government's Disability Allowance Scheme; and
  - resided with you / your spouse, without paying full cost, for a continuous period of not less than 6 months or have received from you / your spouse not less than \$12,000 in money towards his / her maintenance.
- If the dependent parent / grandparent resided with you **continuously throughout the whole year** without paying full cost, you are also entitled to **Additional Dependent Parent / Grandparent Allowance**.
- If the dependent parent / grandparent was at any time during the year of assessment **aged 60 or over**, or eligible to claim an allowance under the Government's Disability Allowance Scheme and resided at a residential care home, **you may choose to claim deduction of Elderly Residential Care Expenses that were paid by you / your spouse instead of Dependent Parent / Grandparent Allowance**. If you claim both the Dependent Parent / Grandparent Allowance and deduction of Elderly Residential Care Expenses in respect of the same dependant, only the deduction for Elderly Residential Care Expenses will be allowed.
- Deduction for Elderly Residential Care Expenses is limited to the amount of related residential care expenses paid by you / your spouse. Any amount subsequently reimbursed by any person or organisation should be excluded.
- **Only one individual can be granted the Dependent Parent / Grandparent Allowance or deduction of the Elderly Residential Care Expenses in respect of the same person. If more than one individual is entitled to the allowance or deduction for the same dependant, they must agree among themselves on who shall claim the allowance or deduction.**

### Disabled Dependant Allowance

If you are granted Married Person's, Child, Dependent Brother / Sister, Dependent Parent / Grandparent Allowances or allowed deduction for Elderly Residential Care Expenses in respect of a dependant who is eligible to claim an allowance under the Government's Disability Allowance Scheme during the year, you are also entitled to claim a Disabled Dependant Allowance in respect of that disabled dependant. Please tick appropriate box(es) in Parts 12.1, 12.2 and / or 12.4.

**Attention:** For claims of the above allowances and / or Elderly Residential Care Expenses, the Department may verify the information with the Social Welfare Department.



## Part 13 Declaration

**Making an incorrect return or committing other offences under the Inland Revenue Ordinance may result in heavy penalties.**

### OFFENCES AND PENALTIES

- The Inland Revenue Ordinance provides heavy penalties for any person who:
  - fails to comply with the requirements of a notice to make a return without reasonable excuse;
  - makes an incorrect return without reasonable excuse;
  - makes a false return with fraudulent intent to evade tax;
  - fails to give notice of a change or cessation of employment without reasonable excuse;
  - fails to notify a change of address without reasonable excuse;
  - fails to keep sufficient records of business income and expenditure without reasonable excuse (maximum fine \$100,000);
  - fails to give notice of the cessation of a trade, profession or business without reasonable excuse;
  - fails to give notice of cessation of ownership of a property without reasonable excuse; or
  - fails to keep sufficient records of rental income of property without reasonable excuse.
- **EVASION OF TAX IS A CRIMINAL OFFENCE. THE MAXIMUM PENALTY** is a fine of \$50,000 PLUS a further fine of 3 times the undercharged amount and imprisonment for 3 years.

For failure to file tax return within the stipulated time or incorrect return cases, the Commissioner or a Deputy Commissioner may, instead of prosecuting, make an assessment of additional tax under section 82A of the Inland Revenue Ordinance. The maximum amount of additional tax provided by law is 3 times the undercharged amount. You may visit [www.ird.gov.hk/eng/pol/ppo.htm](http://www.ird.gov.hk/eng/pol/ppo.htm) or use the 'Fax-A-Form' Service to view / get the Penalty Policy Statement of this Department.

PART 13 DECLARATION	
I declare that the information given in this return, its Appendix (if applicable), any required supplementary forms and other documents attached is true, correct and complete.	
Date <u>20 May 2025</u>	Signature <u>T. M. Chan</u>
<div style="border: 1px solid green; padding: 5px;"><small>If you were married for all or part of the year and (1) Have elected for Joint Assessment (in Part 4.4) / Personal Assessment Jointly with your spouse (in Part 7), or (2) Have been nominated by your spouse to claim home loan interest deduction (in Part 8.4(2)), or (3) Your spouse has elected to use the home loan interest / domestic rents additional deduction ceiling amount (in Part 8.6(2)) your spouse must sign here to indicate agreement.</small></div>	Spouse's Signature <u>Lee Shuling</u>
[ Making an incorrect return or committing other offences under the Inland Revenue Ordinance may result in heavy penalties – See Part 13 of the Guide ]	

*Please put down the date on which you complete the return and sign the declaration.*

*You must sign here to make the declaration. #*

*Do not forget to ask your spouse to sign here if the conditions stated in the green box are applicable to you. #*

# If you are unable to write, the affixing of a name-chop, thumbprint or mark as your signature will be accepted, provided that it is witnessed by a person who is aged 18 or over. The witness must sign, state his / her name and Identity Card number beside the signature to evidence that the return is signed by you.

## Appendix to BIR60

### Section 2 Application for a Lump Sum Included under Part 4.1 of BIR60 to be Related Back

Please refer to the example in Part 4.1 on page 3 of this Guide.

Section 2 APPLICATION FOR A LUMP SUM INCLUDED UNDER PART 4.1 OF BIR60 TO BE RELATED BACK					
Name of employer	Nature of payment	Amount (\$)	Period to which payment relates	Date received Day / Month / Year	Amount to be related back to previous year(s) (\$)
Company A	Contract gratuity	150,000	1/7/2022–30/6/2024	30/6/2024	131,250

This amount should have been included in Box 30 and should be stated in Box 32 in Part 4.1 of BIR60.

This amount should be stated in Box 34 in Part 4.1 of BIR60.

### Section 3 Relief claimed under Double Taxation Arrangement(s)

- Tax credit relief is only applicable if you are a person who is resident for tax purposes in Hong Kong (Hong Kong resident person).
- For the meaning of ‘resident for tax purposes’ in relation to any double taxation arrangements, please refer to the provisions of the arrangements relating to the determination of resident status.
- If you were a Hong Kong resident person during the year and had to pay tax on any income derived from a territory outside Hong Kong with which double taxation arrangements have been made, you are entitled to claim a relief under section 50 of the Inland Revenue Ordinance by way of credit against tax payable in respect of that income in Hong Kong.
- List of the countries / territories is available at [www.ird.gov.hk/eng/tax/dta\\_inc.htm](http://www.ird.gov.hk/eng/tax/dta_inc.htm).

### Section 4 Application for Full / Partial Exemption of Income Included under Part 4.1 of BIR60

- You may apply for full or partial exemption from salaries tax in any of the following situations:
  - (a) If you hold a non-Hong Kong employment, you will only be chargeable in respect of income derived from services rendered in Hong Kong per section 8(1A)(a).
  - (b) If you rendered all services outside Hong Kong during the year, your income is excluded from charge per section 8(1A)(b)(ii).
  - (c) If you have paid tax of substantially the same nature as Hong Kong salaries tax to a territory outside Hong Kong in respect of income derived from services rendered in that territory, the relevant income is excluded from charge per section 8(1A)(c).  
**(For a year of assessment beginning on or after 1/4/2018, section 8(1A)(c) does not apply to income derived by a person from services rendered in a territory which has made a double taxation arrangement with Hong Kong. If you were a Hong Kong resident person during the year and derived income from services rendered in such a territory, you may claim relief by way of tax credit in Section 3.)**
  - (d) If your income is derived from being a member of the crew of a ship or an aircraft and your presence in Hong Kong is not more than 60 days in the year and 120 days in two consecutive years, one of which being the current year, your income will be exempted from tax per section 8(2)(j).
  - (e) If you are a qualifying employee, and you have provided investment management services for, or on behalf of, a qualifying person for a certified investment fund or a specified entity, you can claim salaries tax concessions for eligible carried interest.
  - (f) By provisions in the Inland Revenue Ordinance, your income is specifically exempted, e.g. those under section 8(2), section 8(2A) or section 87, etc.
- You are required to supply the following information and documents:
  - (a) If full or partial exemption is claimed for items (a) to (d) above, you must provide (i) detailed computation of the exempted amount and (ii) full itinerary of dates in Hong Kong and outside Hong Kong. For section 8(1A)(c) claim, you also have to submit copies of the tax receipts and the relevant tax return in support of tax paid outside Hong Kong.

- (b) If salaries tax concessions are claimed for eligible carried interest (item (e) above), you should submit supplementary form SP4 which can be downloaded from the Department's webpage ([www.ird.gov.hk/soleprop\\_e](http://www.ird.gov.hk/soleprop_e)). After completion, the supplementary form SP4 must be printed out for signing and submitted together with the tax return.
- (c) For all claims, taxpayers will be required to provide full facts in support.

## **Section 5 Place of Residence Provided**

If a place of residence is provided to you by your employer or its associated corporation, this part must be completed. Refer to examples on page 4 of this Guide for details.

## **Section 6 Connected Entities of the Business that is Chargeable at Two-tiered Profits Tax Rates**

If your business had connected entities for the subject year, the two-tiered rates will only be applicable to one of them. The entity which elects to be chargeable at two-tiered rates is required to submit a complete list showing the names and business registration numbers of all the connected entities in supplementary form SP1 which can be downloaded from the Department's webpage ([www.ird.gov.hk/soleprop\\_e](http://www.ird.gov.hk/soleprop_e)). After completion, the supplementary form SP1 must be printed out for signing and submitted together with the tax return.

## **Section 7 Notification of Transactions for / with Non-resident Persons**

- Where you have, as agent, received on behalf of a non-resident person any other trade or business income arising in or derived from Hong Kong, you will be asked to give further details of the agency.
- Where sums are paid or accrued to a non-resident person in respect of professional services rendered, wholly or partly, in Hong Kong, you must state the name and address of each recipient, together with the full amount and the nature of the payment in a supporting schedule.

## **Section 8 Deduction Claims for Expenditure on Research and Development / Environmental Protection Facilities / Intellectual Properties**

- If deduction(s) is / are claimed for the following expenditure(s), you are required to download the relevant supplementary form from the Department's webpage ([www.ird.gov.hk/soleprop\\_e](http://www.ird.gov.hk/soleprop_e)) for completion:
  - (a) expenditure on research and development ('R&D') under section 16B of the Inland Revenue Ordinance - supplementary form SP2;
  - (b) expenditure on energy efficient building installation under section 16I of the Inland Revenue Ordinance - supplementary form SP3.
 After completion, the supplementary forms SP2 and / or SP3 must be printed out for signing and submitted together with the tax return.
- If deduction(s) is / are claimed for capital expenditure on intellectual properties under sections 16E and/or 16EA of the Inland Revenue Ordinance, you are required to state the amount and the nature of intellectual property. For specified capital expenditure on the purchase of performer's economic right, protected layout-design (topography) right, protected plant variety right, the deduction is applicable to the year of assessment 2018/19 and subsequent years.

## **Section 10 Interest Payments Involving Re-mortgaged Loan**

Refer to example under Scenario 1 on pages 9 and 10 of this Guide, this part should be completed as:

(1) Location of property	Pty A
(2) Name of lending institution for the re-mortgaged loan	ABC Bank
(3) Amount of the re-mortgaged loan	\$2,500,000
(4) Interest paid for the re-mortgaged loan in the year	\$112,500
(5) Period covered by the interest in item(4) above	1/7/2024 to 31/3/2025
(6) Date of redemption of the previous mortgaged loan	30/6/2024
(7) Balance of the previous mortgaged loan redeemed	\$2,000,000
(8) Interest paid for the previous mortgaged loan in the year	\$30,000
(9) Period covered by the interest in item(8) above	1/4/2024 to 30/6/2024