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Hong Kong Tax News

- Hong Kong - Qatar Tax Treaty In Force
- Inland Revenue (Amendment) Bill Gazetted:
  - lowering captive insurers' tax
  - raising deduction ceiling for contributions to recognized retirement schemes

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HK-Qatar DTA Entered Into Force

The Hong Kong-Qatar double taxation agreement ("HK-Qatar DTA") has entered into force on 5 December 2013 after the completion of ratification procedures on both sides. The agreement was signed in May 2013. It will have effect in Hong Kong from the year of assessment 2014/15.

Lowering Captive Insurers' Tax

The Inland Revenue (Amendment) (No.3) Bill 2013 was gazetted on 27 December 2013. The Bill proposed to reduce by half the profits tax on offshore risks insurance business of captive insurers which are set up to underwrite risks of companies within the same group to which the captive insurers belong. The proposed measure aims to attract more enterprises to establish their captive insurers in Hong Kong which is in line with the initiative announced by the Financial Secretary in the 2013-14 Budget. The operation of captive insurance and its contribution to risk management, as well as Hong Kong's regulatory framework for captive insurers will be discussed in a workshop held together by the Financial Services and the Treasury Bureau and the Hong Kong Federation of Insurers on 14 January 2014 during the 7th Asian Financial Forum.

Raising Deduction Ceiling for Contributions to Recognized Retirement Schemes

Subsequent to the increase of the maximum relevant income level under Mandatory Provident Fund (MPF) schemes with effective from 1 June 2014, the Inland Revenue (Amendment) (No.3) Bill 2013 also proposed to raise the deduction ceiling for contributions made by employees or self-employed persons to recognized retirement schemes, including MPF schemes, to be in line with the mandatory monthly contribution of HK$1,500, as follows:

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35/F One Pacific Place
88 Queensway
Hong Kong