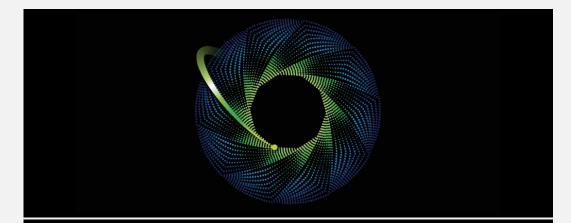
Deloitte.

Hong Kong | Tax & Business Advisory | 22 July 2022 | Issue 158



Hong Kong Tax Newsflash Passage of tax concessions for shipping-

related activities



The Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022 has been gazetted today to provide profits tax concessions for certain ship agents, ship managers and ship brokers (collectively "shipping commercial principals"). The new tax concession applies retrospectively to sums received or accrued on or after 1 April 2022.

As a recap, subject to certain conditions, the profits derived by a qualifying shipping commercial principal from carrying out a qualifying activity in Hong Kong will be subject to:

- profits tax rate at 8.25%;
- if the qualifying activity is carried out for an associated ship lessor / ship leasing manager, which is entitled to a concessionary tax rate of 0% or 8.25%, the same concessionary tax rate (i.e. 0% or 8.25%) applies to the qualifying shipping commercial principal;
- if the qualifying activity is carried out for an associated ship operator / ship owner, whose income are exempt from tax, the same income exemption applies to the qualifying shipping commercial principal.

Please refer to our <u>Hong Kong Tax Newsflash (Issue 154)</u> published on 8 June 2022 for more details.

Tax Newsflash is published for the clients and professionals of Deloitte Touche Tohmatsu. The contents are of a general nature only. Readers are advised to consult their tax advisors before acting on any information contained in this newsletter.

If you have any questions, please contact our professionals:

Authors Sarah Chan Tax Partner +852 2852 1628 sarahchan@deloitte.com.hk

Doris Chik Tax Director +852 2852 6608 dchik@deloitte.com.hk

Carmen Cheung

Tax Manager +852 2740 8660 carmcheung@deloitte.com.hk

Global Business Tax Services National Leader Andrew Zhu Tax Partner +86 10 8520 7508 andzhu@deloitte.com.cn

Hong Kong Raymond Tang Tax Partner +852 2852 6661 raytang@deloitte.com.hk

Get in touch



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500[®] companies. Learn how Deloitte's approximately 345,000 people make an impact that matters at <u>www.deloitte.com</u>.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

The Deloitte brand entered the China market in 1917 with the opening of an office in Shanghai. Today, Deloitte China delivers a comprehensive range of audit & assurance, consulting, financial advisory, risk advisory and tax services to local, multinational and growth enterprise clients in China. Deloitte China has also made—and continues to make—substantial contributions to the development of China's accounting standards, taxation system and professional expertise. Deloitte China is a locally incorporated professional services organization, owned by its partners in China. To learn more about how Deloitte makes an Impact that Matters in China, please connect with our social media platforms at www2.deloitte.com/cn/en/social-media.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2022 Deloitte Touche Tohmatsu in Hong Kong, Deloitte Touche Tohmatsu in Macau, and Deloitte Touche Tohmatsu Certified Public Accountants LLP in the Chinese Mainland. All rights reserved.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.