



Hong Kong Tax Newsflash

Passage of refined Foreign-Sourced Income Exemption (FSIE) regime for disposal gains

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The draft legislation that refines Hong Kong's FSIE regime by expanding the scope of foreign-sourced disposal gains (the Bill¹) was passed by the Legislative Council yesterday (i.e., 29 November 2023). Under the refined FSIE regime, the scope of foreign-sourced disposal gains is expanded to cover all types of assets, except disposal gains derived by traders. A new intra-group transfer relief for foreign-sourced disposal gains is introduced. The refined FSIE regime will be effective from 1 January 2024.

For the background and details of the refined FSIE regime, please refer to our [Hong Kong Tax Newsflash Issue 174](#), [Issue 177](#) and [Issue 192](#) and [Issue 195](#).

¹ [Inland Revenue \(Amendment\) \(Taxation on Foreign-sourced Disposal Gains\) Bill 2023](#)

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