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Hong Kong Tax News

Stamp duty waiver for ETFs

With effect from 13 February 2015, Hong Kong stamp duty is waived for the transfer of shares or units of all exchange traded funds (ETFs) in order to promote the development of the ETF market.

ETFs are passively-managed and open-ended funds that are traded on the securities market of Hong Kong Exchanges and Clearing Limited. ETFs typically are designed to track the performance of their underlying benchmarks (e.g. an index, a commodity such as gold, etc.). Since 2010, there has been a stamp duty exemption concession for the trading of ETFs that track indices comprising no more than 40% in Hong Kong stock. The government proposed in the 2014/15 Budget to extend the exemption to the transfer of *all* ETF shares or units. The relevant Ordinance was gazetted on 13 February 2015.

The ETF stamp duty waiver seeks to promote Hong Kong's position as an asset management center and develop the financial services sector by offering new business opportunities for market practitioners and a greater range of products for investors.

If you have any questions please contact:

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