



Hong Kong Tax Newsflash

Global Minimum Tax and Hong Kong Minimum Top-up Tax Legislation Passed 【Global Tax Reset II Series】

Hong Kong | Tax & Business Advisory | 28 May 2025 | Issue 244

The long-awaited Bill¹, which introduces significant tax reforms in Hong Kong to implement the Global Minimum Tax (GloBE Rules) and the Hong Kong Minimum Top-up Tax (HKMTT), was passed by the Legislative Council today. This marks a significant step in aligning Hong Kong's tax regime with the international standards, ensuring that large multinational enterprise (MNE) groups² with an annual consolidated revenue of at least EUR 750 million pay a minimum effective tax rate (ETR) of 15% in each jurisdiction where they operate. The Income Inclusion Rule (IIR) rule and HKMTT will be implemented retrospectively for fiscal years³ beginning on or after 1 January 2025. The implementation date for the Undertaxed Profits Rule (UTPR) will be determined later.

In this article, we provide a recap of the key features of Hong Kong's legislation regarding GloBE Rules and HKMTT, as well as highlighting the key compliance deadlines for in-scope MNEs. For details, please refer to our prior Hong Kong Tax Newsflash [Issue 234](#) and [Issue 237](#).

Operation of the GloBE Rules and HKMTT

- The GloBE Rules and HKMTT apply to MNE groups with an annual consolidated revenue of at least EUR 750 million in at least two of the four preceding fiscal years.
- In-scope MNE groups should calculate the ETR⁴ in each jurisdiction where they operate according to the GloBE Rules formulated by the OECD.
- Hong Kong constituent entities⁵ (CEs), except investment entities and insurance investment entities, are subject to HKMTT where the ETR of an in-scope MNE group in Hong Kong is below 15%.
- A Hong Kong parent entity is subject to IIR⁶ under the Hong Kong legislation. Top-up tax in respect of low-tax foreign CEs is charged at the level of the Hong Kong parent entity where the ETR of the MNE group in that foreign jurisdiction is below 15%.

¹ [Inland Revenue \(Amendment\) \(Minimum Tax for Multinational Enterprise Groups\) Bill 2024](#)

² Any group that includes at least one entity or permanent establishment (PE) that is not located in the jurisdiction of the ultimate parent entity

³ Accounting period with respect to which the consolidated financial statements are prepared

⁴ Calculated by dividing the sum of the adjusted covered taxes of each constituent entity (CE) in a jurisdiction by their net GloBE income

⁵ Under the GloBE Rules, an entity is located where it is a tax resident or was created. For this purpose, a definition of "Hong Kong resident entity" has been introduced, effective retrospectively from 1 January 2024.

⁶ Under the IIR, the top-up tax is charged at the level of the parent entity, in proportion to its ownership interests in those constituent entities (CEs) in the low-tax jurisdictions.

- Each Hong Kong CE or a designed filing entity of an in-scope MNE group must file a written notice within 6 months after the end of the fiscal year, as well as a top-up tax return no later than 15 months (or 18 months for the transition year⁷) after the end of the fiscal year with the Inland Revenue Department to determine any top-up tax liabilities.
- MNE groups may designate one or more Hong Kong CEs as the designated paying entities for HKMTT. In case the designated paying entity defaults, all linked entities⁸ will be jointly and severally liable for the total amount of top-up tax that is not paid.

Key compliance deadlines

For in-scope MNEs with 31 December as the accounting year-end date, the key upcoming compliance deadlines are:

- **Notification submission:** by *30 June 2026* for the fiscal year ending 31 December 2025
- **Mandatory electronic filing of profits tax returns:** by *August 2026* for the year of assessment 2025/26
- **Filing of top-up tax returns:**
 - For those already in-scope: by *31 March 2027* (i.e. 15 months after 31 December 2025)
 - For those falling in-scope for the first time: by *30 June 2027* (i.e. 18 months after 31 December 2025)

Our observations

The introduction of the GloBE Rules and HKMTT will significantly increase the compliance burden for in-scope MNEs. In-scope MNEs should ensure they have robust systems in place to calculate and report their ETRs accurately. The new tax regimes may also influence business decisions, such as the location of operations and the structure of corporate entities. MNEs should review their global tax strategies to optimize their tax positions. Given the tight compliance deadlines, MNEs should start preparing now. This includes conducting impact assessments, adjusting internal systems to accommodate the new filing requirements, training staff on the new rules, and seek professional tax advice to navigate these complex rules effectively.

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⁷ The earliest fiscal year that the MNE group comes within the scope of the GloBE Rules in Hong Kong or another jurisdiction or HKMTT.

⁸ A linked entity is each entity or PE that is a Hong Kong CE of the MNE group when the Inland Revenue Department issued notice for payment and was at any time in the taxable year a Hong Kong CE of the MNE group.

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Through the "Global Tax Reset II series" articles, Deloitte will help you keep an eye on the recent major changes in the global tax system and discuss with you the far-reaching impact that it may have on multinational corporations. Please refer to the following links to access to the previous articles under the series.

Hong Kong Tax Analysis / Tax Newsflash

17 April 2025	Proposed amendments to the draft legislation on the Global Minimum Tax and Hong Kong Minimum Top-up Tax	[English] [Simplified Chinese]
27 December 2024	Draft legislation on the Global Minimum Tax and Hong Kong Minimum Top-up Tax published in Gazette	[English] [Simplified Chinese]
31 October 2024	Updates on implementation of Global Minimum Tax and Hong Kong Minimum Top-up Tax	[English]
21 December 2023	Hong Kong Pillar 2 QDMTT / HKMTT and GloBE Rules consultation	[English]
H113/2023 – 8 March 2023	How Global Minimum Tax implementation timelines could affect top-up tax liabilities	[English]
18 August 2022	Hong Kong defers the implementation of Pillar Two	[English]
H107/2022 – 31 May 2022	The Impact of Pillar 2 on Hong Kong's Real Estate Sector	[English]
H99/2020 – 27 November 2020	Pillar Two – Impact on Hong Kong	[English] [Simplified Chinese]

Tax Analysis / Tax Newsflash

27 January 2025	OECD Pillar Two: Qualified jurisdictions and further guidance	[English]
P397/2025 - 20 January 2025	OECD 发布《支柱一金额 B》补充文件	[Simplified Chinese]
20 January 2025	OECD Pillar Two: Information return updates released	[English]
24 June 2024	OECD Pillar Two: Further guidance published	[English]
26 April 2024	Pillar Two: Consolidated commentary published	[Simplified Chinese] [English]
P386/2024 – 26 February 2024	OECD 发布《支柱一金额 B》报告	[Simplified Chinese]
21 December 2023	Pillar Two: OECD's further guidance	[English]
18 July 2023	Pillar 2 – QDMTT, UTPR & GIR developments relevant to Hong Kong, Singapore and Mainland China	[Simplified Chinese] [English]
P374/2023 - 16 March 2023	支柱一金额 A 下撤销数字服务税和相关类似措施的多边公约条款草案	[Simplified Chinese] [Japanese]
P373/2023 - 6 March 2023	全球税制重塑 2.0 系列：OECD 发布支柱二征管指南	[Simplified Chinese] [Japanese]
P372/2023 - 2 March 2023	全球税制重塑 2.0 系列：支柱二下的信息报告表和安全港规则	[Simplified Chinese] [Japanese]
3 February 2023	OECD released administrative guidance on global minimum tax	[English]
P368/2022 - 30 December 2022	OECD 发布《支柱一金额 B 公众意见征询文件》	[Simplified Chinese]
21 December 2022	OECD Pillar Two: Information return and safe harbors published	[English]
P356/2022 - 16 June 2022	OECD 发布支柱一金额 A 立法模板系列之《支柱一金额 A 下的受监管金融服务业排除》	[Simplified Chinese] [Japanese]
P354/2022 - 24 May 2022	OECD 发布支柱一金额 A 立法模板系列之《金额 A 的适用范围立法模板草案》以及《支柱一金额 A 下的采掘业排除》	[Simplified Chinese] [Japanese]
P352/2022 - 13 April 2022	OECD 发布支柱一金额 A 立法模板系列之《税基确定立法模板草案》	[Simplified Chinese] [Japanese]
15 March 2022	OECD announces release of commentary on Pillar Two model rules for global minimum tax	[Simplified Chinese] [English]
P350/2022 – 9 March 2022	OECD 发布支柱一金额 A 立法模板系列之《联结度与收入来源规则立法模板草案》	[Simplified Chinese]
P347/2021 – 22 December 2021	支柱二 – G20/OECD 包容性框架发布全球最低税立法模板	[Simplified Chinese] [Japanese]
21 December 2021	Pillar Two – OECD Inclusive Framework global minimum tax model rules	[English]
11 October 2021	OECD inclusive framework updates political agreement on Pillar One and Pillar Two	[Simplified Chinese] [English]
P343/2021 – 12 July 2021	Global Minimum Tax Frequently Asked Questions (FAQ)	[Simplified Chinese] [English] [Japanese]
7 July 2021	OECD Inclusive Framework reaches political agreement on taxing the digitalised economy and a global minimum rate	[English]
3 July 2021	Global Endorsement on Pillar One and Pillar Two	[Simplified Chinese] [English]
P338/2021 - 20 May 2021	在不断变化的国际环境中管理和规划知识产权的注意要点	[Simplified Chinese] [Japanese]
P332/2021 – 22 January 2021	在不确定性中寻找机会 – 有关 OECD/G20 税基侵蚀和利润转移(BEPS) 计划以及全球税制重塑 2.0 的第七次年度全球调查	[Simplified Chinese] [Japanese]
P330/2021 – 11 January 2021	European Union – Mandatory Tax Reporting (DAC6) implemented	[Simplified Chinese] [English]
P327/2020 – 19 November 2020	OECD 就应对数字经济带来的税收挑战发布蓝图报告：支柱二之详细解读	[Simplified Chinese] [Japanese]
P325/2020 – 4 November 2020	OECD 就应对数字经济带来的税收挑战发布蓝图报告：支柱一之详细解读	[Simplified Chinese] [Japanese]
P323/2020 – 22 October 2020	变革与经济复苏下的全球税收政策导向	[Simplified Chinese]
13 October 2020	2020 年美国大选对美国企业所得税政策的影响	[Simplified Chinese]
P322/2020 – 7 October 2020	澳大利亚发布 2020-21 年预算：政策利好复苏	[Simplified Chinese]
P317/2020 – 27 July 2020	European Union - Mandatory Tax Reporting for certain cross-border arrangements	[Simplified Chinese] [English]
P311/2020 – 14 February 2020	包容性框架成员国再次承诺将致力于解决数字化经济带来的税收挑战	[Simplified Chinese]
P309/2019 – 20 December 2019	数字经济征税方案下“统一方法”与现行转让定价规则碰撞之初探	[Simplified Chinese]
P304/2019 – 15 November 2019	OECD 发布最新意见征询文件：全球防止税基侵蚀提案（支柱二）	[Simplified Chinese] [Japanese]
P302/2019 – 5 November 2019	OECD's public consultation document: Secretariat Proposal for a "Unified Approach" under Pillar One	[Simplified Chinese] [English] [Japanese]



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