



Hong Kong Tax Newsflash

2025 Policy Address – Tax-related measures

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The Chief Executive of Hong Kong Special Administrative Region delivered the 2025 Policy Address today, outlining a series of proposed tax-related initiatives aimed at enhancing economic competitiveness, supporting families, and attracting investment. The key measures are summarized as follows:

New Measures

- **Enhancements to Corporate Treasury Centre (CTC) tax concession:** The government will complete a study to further enhance the existing tax concessionary measures for CTC in the first half of 2026, targeting to attract more Mainland enterprises to establish CTCs in Hong Kong.
- **Exploration of tax measures for arts trading:** The government will engage the industry to carry out studies on tax policy to support the development of Hong Kong as a global premium arts trading hub.
- **Enhancement of the New Capital Investment Entrant Scheme (New CIES):**
Currently, applicants of the New CIES are required to invest at least HKD 30 million in Hong Kong. Among such investments, the maximum amount of investment in real estate (both residential and non-residential properties) to be counted towards the scheme is HKD 10 million. The proposed enhancements are:
 - for the purchase of non-residential properties, increase the maximum amount of investment to be counted from HKD 10 million to HKD 15 million, with no transaction price threshold;
 - for the purchase of residential properties, reduce the minimum transaction price threshold from HKD 50 million to HKD 30 million while the maximum amount of investment to be counted will remain at HKD 10 million.
- **Expansion of Air Passenger Departure Tax Exemptions:** From October 2025, the exemption from the Air Passenger Departure Tax will be extended to include passengers transiting through Hong Kong via sea or land.
- **Extension of the additional child allowance claim period:** Starting from the year of assessment 2026/27, the claim period for the additional child allowance for newborns will be extended from one to two years to promote fertility. Taxpayers will be able to claim child allowance and additional child allowance totalling HKD 260,000 for each child during the first two years after birth. This measure will apply to all children who are under the age of two by the end of the relevant year of assessment.

Reaffirmed Measures Announced Earlier

- **Enhancements to asset and wealth management tax regimes:** The government will further enhance the preferential tax regimes for funds, single family offices, and carried interest to attract more funds to establish a presence in Hong Kong. Please refer to our [Tax Newsflash Issue 229](#) for details.
- **Introduction of half-rate tax concession for commodity traders:** As previously announced in July, a preferential half-rate tax concession will be introduced for commodity traders setting up businesses in Hong Kong. The aim is to drive demand for shipping and professional maritime services. Legislative amendments are expected to be made in the first half of 2026. Please refer to our [Tax Newsflash Issue 245](#) for details.
- **Enhancements to maritime tax regimes:** The government will step up promotion of tax concessions and enhance the marine insurance business with a view to strengthening Hong Kong's leading position in high value-added maritime services. The proposed enhancements to the existing tax regimes were released in July. Please refer to our [Tax Newsflash Issue 246](#) for details.

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