



Hong Kong Tax Newsflash

2026 Policy Address – Tax-related measures

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The Chief Executive of Hong Kong Special Administrative Region delivered the 2026 Policy Address yesterday, outlining a series of tax-related initiatives aimed at attracting investment, enhancing economic competitiveness, and promoting fertility. The key measures are summarized as follows:

Reaffirmed Measures Announced Earlier

- **Stamp duty waiver for transfer of non-residential properties into real estate investment trusts (REITs) seeking to list:** As previously announced in the 2026/27 Budget Speech¹, the government will introduce an amendment bill in the first half of 2027 to provide a stamp duty waiver for the transfer of non-residential properties into REITs seeking to list.
- **Preferential policy package to attract enterprises and investments:** As announced in the 2026/27 Budget Speech¹, the government will offer a concessionary tax rate of 5%, or half-rate, to promote industries and investment. The government plans to provide such tax concessions to high-value-added and high-potential enterprises operating in key sectors such as finance, advanced manufacturing, innovation and technology, research and development, headquarters activities and logistics and supply chain management. The relevant amendment bill is expected to be introduced into the Legislative Council in the fourth quarter of 2026.
- **Tax concessions for gold and commodity trading ecosystem:** To facilitate the development of Hong Kong's gold trading market, the government will explore tax concessions for qualifying activities within the gold and commodity trading ecosystem, as outlined in the 2026–27 Budget Speech¹. Consultations with the Legislative Council are expected to take place within the next year.
- **Tax deductions related to intellectual property (IP):** Following the refined proposals released in May 2026², the government will introduce the legislative amendments this year to implement tax deductions for capital expenditure incurred in purchasing IP rights, or for the licence to use IP rights.
- **Enhancements to Corporate Treasury Centre (CTC) regime:** The government has completed its review of tax concessionary measures for CTCs and concluded a public consultation³ on the proposed enhancements. These include additional tax benefits and operational flexibilities for pre-approved CTCs and their associated companies. Legislative amendments are expected to be introduced into the Legislative Council in the first half of 2027.

¹ Please refer to our [Tax Analysis Issue H122/2026](#) for details.

² Please refer to our [Tax Newsflash Issue 268](#) for details.

³ Please refer to our [Tax Newsflash Issue 276](#) for details.

New Measures

- **Increase in child allowance and additional child allowance:** Starting from the year of assessment 2026/27, taxpayers claiming child allowance for the second and subsequent children born on or after 16 September 2026 will benefit from an increased allowance from HKD 140,000 to HKD 160,000 per child. The allowance may be claimed until the child reaches the age of 25. In addition, additional child allowance for the first two years following the birth of each such child will also increase from HKD 140,000 to HKD 160,000. Legislative amendments are expected to be introduced in the first half of 2027.
- **Stamp duty waiver for eligible families:** Eligible families, where a child is born on or after 16 September 2026 and either parent is a Hong Kong permanent resident, purchasing a residential property within one year before or two years after child's birth will be entitled to a stamp duty waiver of up to HKD 20,000. This measure aims to ease housing costs for new parents and will take effect following the passage of the amendment bill, which is expected to be introduced into the Legislative Council in the first half of 2027.

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