

# Inland Revenue (Amendment) (Tax Concessions for Intellectual Property Income) Ordinance 2024 gazetted

The Government today (July 5) gazetted the Inland Revenue (Amendment) (Tax Concessions for Intellectual Property Income) Ordinance 2024. The Amendment Ordinance, which amends the Inland Revenue Ordinance (Cap. 112) to implement the "patent box" tax incentive to provide tax concessions for qualifying profits sourced in Hong Kong and derived from eligible intellectual properties (IP) created through research and development (R&D) activities, comes into operation today.

"We are grateful to the Legislative Council for promptly scrutinising and passing the relevant bill, enabling the successful implementation of a major policy measure to promote the development of IP trading under the 2023 Policy Address and 2023-24 Budget. The 'patent box' tax incentive encourages enterprises to forge ahead with more R&D activities and promotes IP trading, thereby consolidating Hong Kong's competitiveness as a regional IP trading centre," a spokesman for the Commerce and Economic Development Bureau said.

The Amendment Ordinance mainly covers the following five key areas:

- (1) eligible IPs covered are patents, copyrighted software and new plant variety rights;
- (2) eligible IPs can be registered in different places around the world and their related profits sourced in Hong Kong can benefit from the "patent box" tax incentive;
- (3) the concessionary tax rate is set at 5 per cent, which is substantially lower than the existing normal profits tax rate in Hong Kong (i.e. 16.5 per cent);
- (4) eligible IPs must be developed by taxpayers themselves. If the R&D process involves acquisition of other IPs, or outsourcing part of the R&D activities, the amount of profits eligible for the concessionary tax rate may be reduced proportionally; and
- (5) enterprises need to obtain local registration for their inventions or new plant varieties in order to enjoy the "patent box" tax incentive. This requirement will only start to implement two years after the "patent box" tax incentive comes into operation.

As the Amendment Ordinance takes effect, taxpayers can apply for the "patent box" tax incentive starting from the year of assessment 2023/24. The Inland Revenue Department will provide further administrative guidance on its website ([www.ird.gov.hk](http://www.ird.gov.hk)) for taxpayers' reference.

The Government has spared no effort in protecting IP rights and promoting IP trading to tie in with the national strategy to develop IP, and has been implementing a series of short, medium and long-term measures from various aspects, including enhancing the IP regulatory regime, to promote the development of Hong Kong into a regional IP trading centre. In this regard, in view of the copyright issues arising from the rapid development of artificial intelligence technology, the Government will conduct a consultation soon to explore further enhancement of the relevant protection provided by the Copyright Ordinance, so as to ensure that Hong Kong's copyright regime remains robust and competitive.

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## [Speech by CE at 2024 Colloquium on International Law \(English only\) \(with photos/video\)](#)

Following is the speech by the Chief Executive, Mr John Lee, at the 2024 Colloquium on International Law today (July 5):

Commissioner Cui Jianchun (Commissioner of the Ministry of Foreign Affairs in the Hong Kong Special Administrative Region), Ms Teresa Cheng (Founder Member and Co-Chairman of the Asian Academy of International Law), Dr Anthony Neoh (Co-Chairman of the Asian Academy of International Law), Consuls General, ladies and gentlemen,

Good morning to you all. It's a pleasure to speak to you today, at the opening of the 2024 Colloquium on International Law.

My thanks to the Asian Academy of International Law (AAIL), the AAIL Foundation and the Chinese Society of International Law for organising this essential annual event, with its spotlight on international law issues and concerns amid the latest global developments.

The theme of this year's Colloquium is "Asia's Contribution to Five Principles of Peaceful Coexistence: Past and Future."

It's a timely focus, given that this year marks the 70th anniversary of their pronouncement.

The Five Principles are:

- Mutual respect for each other's territorial integrity and sovereignty;
- Mutual non-aggression;
- Mutual non-interference in each other's internal affairs;
- Equality and mutual benefit; and

- Peaceful coexistence.

The Principles are deeply rooted in Asian philosophy and culture, including such traditional Chinese beliefs as "peace is the most precious" 和为贵, "peace among all nations" 和平共处, and values such as love, kindness and peace – beliefs cherished by many Asian countries.

The universal recognition of the Five Principles is undeniable. Its underlying doctrine epitomises the purposes and principles of the United Nations Charter, which emphasises respect for sovereign equality, the prohibition of the threat or use of force and the essential importance of the peaceful settlement of disputes.

Although seven decades have passed since the Five Principles were announced, they are still very much present, and needed, in today's turbulent world.

As President Xi remarked, in Beijing, last week, at the Conference Marking the 70th Anniversary of the Five Principles, and I quote: "The Five Principles of Peaceful Coexistence have transcended time and space and overcome estrangement, showing robust resilience and everlasting relevance. They have become open, inclusive and universally applicable basic norms for international relations and fundamental principles of international law. They have made indelible historic contributions to the cause of human progress."

President Xi added that the Five Principles have also served as the prime guidance for the establishment and development of relations between countries with differing social systems, acted as a powerful rallying force behind the efforts of developing countries to pursue cooperation and self-strength through unity and contributed historic wisdom to the international order's reform and improvement.

Many Asian countries have contributed to the Five Principles, some through their participation in the Belt and Road Initiative, since building a community with a shared future aligns with the spirit of the Five Principles.

By removing barriers to trade and building a more interconnected world, Asian countries continue to fuel growth in the region, and well beyond.

China has an extensive trade network in Asia and throughout the world. Hong Kong, a Special Administrative Region of China and a founding member of the World Trade Organization, also plays an important role in international trade.

Thanks to "one country, two systems", Hong Kong, an international financial and legal hub, builds bridges and encourages open trade.

That begins with China, our country. CEPA – the Mainland and Hong Kong Closer Economic Partnership Arrangement. In the past 21 years, CEPA enabled Hong Kong companies and professionals to enjoy preferential treatment when doing business in the Mainland and reinforced Hong Kong's role as a bridge connecting the Mainland and the rest of the world. And there is much more to come.

Earlier this week, new amendments to CEPA's services trade were announced, following months of consultation. The sectors set to enjoy expanded trade liberalisation including legal and financial services, as well as testing and certification-related services, architectural services and more, tapping into the vast business opportunities brought about by the rapid development of the country as well as the national and international dual circulation strategy.

The agreement, largely concluded and soon to be finalised, means that, among other things, legal practitioners from Hong Kong will have greater room to do business in the Mainland. And that, ladies and gentlemen, can only accelerate Hong Kong's rise as a centre for international legal and dispute-resolution services in the Asia-Pacific region. Now that's a good-news story for our legal professionals and the sector in general.

My thanks to the Central Government for making it happen, for creating bountiful opportunity for Hong Kong – and all those who work with Hong Kong.

As an international legal-and-dispute-resolution services centre, Hong Kong contributes to the peaceful settlement of international disputes in support of the Five Principles.

With the support of the Central Government, Hong Kong has been chosen to host the headquarters for the International Organization for Mediation, which will further enhance Hong Kong's role as an international hub for dispute resolution in the Asia-Pacific region.

The use of mediation, which is deeply rooted in Asian cultures, reflects the spirit of the Five Principles. And the establishment of the headquarters for the International Organization for Mediation in Hong Kong can only contribute to the continuing reference, and relevance, of the Five Principles.

The advocacy of the Principles by Asia, and China in particular, which looks to them as guiding principles in its foreign policy, has contributed to the establishment of a new international political and economic order, one that is rational and beneficial to world peace and stability.

As President Xi noted at the conference in Beijing last week, when the Five Principles are followed, "even countries that differ from each other in social system, ideology, history, culture, faith, development stage and size can build a relationship of mutual trust, friendship and cooperation."

With its distinct and diverse cultural heritage, its economic dynamism and growing political influence, Asia is well-positioned to continue practicing the ideals enshrined in the Five Principles. In doing so, it can only extend the far-reaching benefits of peaceful coexistence to the rest of the world.

Hong Kong will continue to abide by the spirit of the Five Principles of Peaceful Coexistence through our support of the Belt and Road and other initiatives for greater regional integration. We will also continue to

promote the peaceful resolution of disputes and encourage stronger capacity building in Asia and beyond.

Ladies and gentlemen, the enduring Five Principles of Peaceful Coexistence are words to live by in peace, harmony and mutual prosperity.

My thanks, again, to the organisers for bringing us together here, in person and online. I wish you all a rewarding day and the best of business, law and life in the coming year.

Thank you very much.



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## [CHP reminds public on precautions against heat stroke during very hot weather](#)

The Centre for Health Protection (CHP) of the Department of Health (DH) today (July 5) reminded members of the public, particularly those undertaking outdoor activities, to take heed of necessary measures against heat stroke and sunburn in very hot weather.

"The public should carry and drink plenty of water to prevent dehydration while engaging in outdoor activities," a spokesman for the CHP said.

"Those engaged in strenuous outdoor activities should avoid beverages containing caffeine, such as coffee and tea, as well as alcohol, as they speed up water loss through the urinary system," the spokesman explained.

"Infants and children, the elderly, pregnant women, those with chronic illnesses, such as heart disease or high blood pressure, outdoor/manual workers, and individuals who are overweight are more vulnerable to heat stroke.. They should pay special attention," the spokesman added.

The public should adopt the following precautions:

- Wear loose and light-coloured clothing to reduce heat absorption and facilitate sweat evaporation and heat dissipation;
- Avoid vigorous exercise and prolonged activities like hiking or trekking as heat, sweating and exhaustion can place additional demands on the physique;
- Perform outdoor activities in the morning or the late afternoon, if possible;
- For indoor activities, open all windows, use a fan or use air-conditioning to maintain good ventilation;
- Do not stay inside a parked vehicle; and
- Reschedule work to cooler times of the day if feasible. If working in a hot environment is inevitable, introduce shade in the workplace where practicable. Start work slowly and pick up the pace gradually. Move to a cool area for rest at regular intervals to allow the body to recuperate.

â€‹The public should also note the latest and the forecast Ultraviolet (UV) Index released by the Hong Kong Observatory (HKO). When the UV Index is high (6 or above):

- Minimise direct exposure of the skin and the eyes to sunlight;
- Wear long-sleeved and loose-fitting clothes;
- Wear a wide-brimmed hat or use an umbrella;
- Seek a shaded area or put on UV-blocking sunglasses;
- Apply a broad-spectrum sunscreen lotion of at least sun protection factor (SPF) 15 – ideally higher – and reapply every two hours if you stay out in the sun, or after swimming, sweating or towelling off; and
- While using DEET-containing insect repellents for personal protection against mosquito-borne diseases, apply sunscreen first, then insect repellent.

â€‹If symptoms develop, such as dizziness, headache, nausea, shortness of breath or confusion, rest and seek help immediately, and seek medical advice as soon as possible.

â€‹The public may obtain more information from the DH's Health Education Infoline (2833 0111), [heat stroke](#) page and [UV radiation](#) page; the HKO's Dial-a-Weather (1878 200), latest [weather report and forecast](#), [UV Index](#) and weather information for [hiking and mountaineering](#); and [press releases](#) of the Labour Department on precautions against heat stroke for outdoor workers and their employers when the Very Hot Weather Warning is in force.

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# [Very Hot Weather Warning issued](#)

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

The Hong Kong Observatory has issued the Very Hot Weather Warning.

To prevent heat stroke, avoid prolonged activities outdoors.

If engaged in outdoor work or activities, wear a wide-brimmed hat and light-coloured, loose-fitting clothes. Stay in shaded areas as much as possible.

Drink plenty of water, and avoid beverages containing caffeine or alcohol.

If you feel sick, consult a doctor right away.

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# [United Nations Human Rights Council formally adopts Universal Periodic Working Group's review report on China \(with photo\)](#)

The United Nations Human Rights Council (UNHRC) formally adopted the review report on China by the Working Group on the Universal Periodic Review at the meeting held in Geneva, Switzerland, on July 4 (Geneva time).

The Working Group held meetings in January this year to examine the fourth report submitted by China under the Universal Periodic Review mechanism, which includes a section on the Hong Kong Special Administrative Region (HKSAR), and adopted the review report on China. The UNHRC held a meeting on July 4 to discuss and formally adopt the review report. The Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the People's Republic of China to the United Nations Office at Geneva and other International Organizations in Switzerland, Mr Chen Xu, as the Head of China's delegation, led the delegation to participate in the meeting. The Chief Secretary for Administration, Mr Chan Kwok-ki, as Deputy Head of China's delegation, took part together with officials of the HKSAR Government as members of China's delegation.

The review report of the Working Group covers a total of 428

recommendations raised with China by the United Nations Member States, including 24 pertaining to the HKSAR. In accordance with the general principles adopted by the Central Government, the HKSAR Government has carefully considered such pertinent recommendations and taken a position on each of them for submission to the Central Government. China's replies regarding all of the 428 recommendations are set out in the addendum of the review report.

A spokesman for the HKSAR Government said, "Throughout the review, many countries have spoken highly of China's human rights progress and fully acknowledged China's efforts and historic achievements in advancing and protecting human rights. The HKSAR Government has been steadfastly joining the country in the review. It has actively responded to the views and suggestions about the human rights situation of the HKSAR from some countries, and sternly rebutted the unfounded and untrue remarks from a small number of countries."

Upon expounding on the HKSAR's human rights situation at the Working Group meeting in January this year, Mr Chan further pointed out at the UNHRC meeting on July 4 that the HKSAR has fulfilled the constitutional duty to enact local legislation to safeguard national security. Hong Kong people no longer need to worry about the return of the days of violence and destruction. They can reclaim their peaceful and prosperous way of living, and can fully enjoy their legitimate rights and freedoms as guaranteed by the Constitution and the Basic Law.

Mr Chan added that, with the rule of law, a highly efficient market, a clean government, a free flow of capital, talent, information and goods, as well as an international lifestyle, Hong Kong has everything it takes to be a world-class city, and that, at the same time, Hong Kong continuously promotes the welfare of the elderly, children and women, as well as the rights of local and imported workers alike, through targeted policies.

He stressed that, with the country's strong support and the unique advantages of "one country, two systems", Hong Kong will continue to go from strength to strength as one of the world's best cities to live in.

The HKSAR Government spokesman reiterated, "The HKSAR Government is steadfast in safeguarding national sovereignty, security and development interests, fully and faithfully upholding this top priority of the 'one country, two systems' principle. At the same time, it protects the legal interests, rights and freedoms enjoyed by Hong Kong residents and other people in Hong Kong in accordance with the law. It will resolutely safeguard the overall interest of the community and the long-term prosperity and stability of Hong Kong, ensuring the steadfast and successful implementation of 'one country, two systems'.

"Looking ahead, the HKSAR Government will continue to collaborate with all sectors of society to protect and promote human rights through security, development and co-operation, and tell the international community good stories of the HKSAR's human rights situation in a reasoned and robust



manner."

Mr Chan, together with other officials of the HKSAR Government who attended the Council meeting, will leave Geneva, Switzerland, on July 4. They will arrive in Hong Kong on July 5 (Hong Kong time).

