

Government announces details of new Capital Investment Entrant Scheme (with photo)

The Government announced today (December 19) the details of the new Capital Investment Entrant Scheme (CIES).

Announcing the details of the new CIES at a press briefing, the Secretary for Financial Services and the Treasury, Mr Christopher Hui, noted the 2023-24 Budget set out that a new CIES would be introduced with a view to further enriching the talent pool and attracting more new capital to Hong Kong.

Mr Hui said, "The Policy Statement on Developing Family Office Businesses in Hong Kong, issued by the Financial Services and the Treasury Bureau in March, identified the new CIES as one of the eight policy measures to promote the growth of family offices, with the aim of attracting asset owners to set up in Hong Kong and tap into the diverse investment opportunities in Hong Kong by deploying and managing their wealth.

"The new CIES would help strengthen the development of the asset and wealth management, financial and related professional service sectors in Hong Kong, and bring more business opportunities and high-quality job prospects to all segments of the industry's service chain."

The new CIES will accept applications from eligible persons aged 18 or above (including foreign nationals, Chinese nationals who have obtained permanent resident status in a foreign country, Macao Special Administrative Region residents and Chinese residents of Taiwan). An applicant must demonstrate that he/she has net assets of not less than HK\$30 million to which he/she is absolutely beneficially entitled throughout the two years preceding the application. An applicant must make an investment of a minimum of HK\$30 million in the permissible investment assets, including investing a minimum of HK\$27 million in the permissible financial assets and non-residential real estate (at Annex), and placing HK\$3 million into a new CIES Investment Portfolio. The Portfolio will be set up and managed by the Hong Kong Investment Corporation Limited to make investments in companies/projects with a Hong Kong nexus, with a view to supporting the development of innovation and technology industries and other strategic industries that are beneficial to the long-term development of Hong Kong's economy.

A successful applicant may bring his/her dependants (including spouse and unmarried dependent children aged under 18 years) to Hong Kong. Permission to stay will normally be granted to the applicant and his/her dependants for not more than two years. Upon expiry of the two-year period, they may apply for an extension of stay for not more than three years, and may subsequently apply for further extensions of stay for not more

than three years upon the expiry of each three-year period. They may, upon a period of continuous ordinary residence in Hong Kong of not less than seven years, apply to become Hong Kong permanent residents in accordance with the law. If an applicant is unable to fulfil the continuous ordinary residence requirement, while continuously satisfying the financial requirements under the new CIES for not less than seven years, he/she may apply for an unconditional stay in Hong Kong. If the application is approved, the applicant will be free to dispose of the invested assets.

As announced in "The Chief Executive's 2023 Policy Address", a mechanism will be introduced for suspension of payment of Buyer's Stamp Duty and New Residential Stamp Duty for incoming talent's acquisition of residential property in Hong Kong (Suspension Mechanism). The Government will make legislative amendments for the Suspension Mechanism to cover the successful applicants under the new CIES.

Under the new CIES, Invest Hong Kong will be responsible for assessing whether the applications fulfil the net asset and investment requirements, and the Immigration Department will be responsible for assessing the applications for visa/entry permits, extensions of stay, etc. The Government aims to officially launch the new CIES and invite applications in mid-2024.

