

Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022 gazetted

The Government published in the Gazette today (December 9) the Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022, aiming to provide tax concession for eligible family-owned investment holding vehicles (FIHVs) managed by single family offices (SFOs) in Hong Kong with a view to facilitating the development of family office business in Hong Kong.

"The multiplier effect of attracting more family offices to set up and operate in Hong Kong could be tremendous, including generating increased demand for financial and related professional services, creating more high-quality employment opportunities, and channelling substantial capital to Hong Kong's capital markets, thus benefitting the economy as a whole," a spokesman for the Financial Services and the Treasury Bureau said.

The Government proposes that profits tax exemption will be provided to an FIHV's assessable profits earned from qualifying transactions and incidental transactions subject to the fulfilment of eligibility conditions. To attain the policy objective of bringing investment management and related activities to Hong Kong, the FIHV shall be managed by an SFO in Hong Kong and fulfil the minimum asset threshold and substantial activities requirement.

The Bill will be introduced into the Legislative Council for first reading on December 14.