

Government welcomes passage of Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Bill 2024

The Government welcomed the passage of the Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Bill 2024 by the Legislative Council today (May 22). The Bill gives effect to the Government's proposals announced in the 2024-25 Budget and the 2023 Policy Address, which include:

1. implementing a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024/25. In calculating the amount of salaries tax or tax under personal assessment at standard rates, the first \$5 million of net income will continue to be subject to the standard rate of 15 per cent while the portion exceeding \$5 million will be subject to the standard rate of 16 per cent;
2. reducing salaries tax, tax under personal assessment and profits tax for the year of assessment 2023/24 by 100 per cent, subject to a ceiling of \$3,000 per case; and
3. allowing an additional deduction ceiling amount of \$20,000 for home loan interest or domestic rents, on top of the basic deduction ceiling (\$100,000), for a taxpayer if specified conditions (including the taxpayer should reside with his/her newborn child in Hong Kong for a continuous period of not less than six months, or a shorter period that the Commissioner of Inland Revenue considers reasonable in the circumstances) are met starting from the year of assessment 2024/25. Each taxpayer may be allowed an additional deduction ceiling amount for a maximum of 19 years of assessment.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "The Government takes into account various factors when adjusting different tax measures. In addition to balancing economic and social needs, we are also committed to maintaining the competitive advantage of a low and simple tax regime. The proposed two-tiered standard rates regime is expected to bring about an additional revenue of \$905 million per annum for the Government, affecting only 0.6 per cent of taxpayers. We believe that it will not have adverse impact on Hong Kong's tax competitiveness and attractiveness to talent. On the other hand, the one-off tax concessions will benefit about 2.06 million taxpayers chargeable to salaries tax and tax under personal assessment as well as about 160 000 tax-paying businesses. The additional deduction ceiling amount for home loan interest and domestic rents will benefit all taxpayers meeting the specified conditions, alleviating their financial burden of housing."

The Bill as passed will be gazetted on May 31, 2024. The one-off tax concessions will be reflected in taxpayers' final tax payable for the year of

assessment 2023/24. Moreover, in calculating the provisional salaries tax for the year of assessment 2024/25, the Inland Revenue Department will determine the amounts of home loan interest and domestic rents to be allowed based on the information provided by eligible taxpayers, and apply the two-tiered standard rates as appropriate.

Findings of 2024 Pay Trend Survey

The following is issued on behalf of the Pay Trend Survey Committee:

The Pay Trend Survey Committee (PTSC) met today (May 22) to consider the findings of the 2024 Pay Trend Survey (PTS).

The verified survey findings indicate that the following average pay adjustments have been awarded by the surveyed companies over the 12-month period from April 2, 2023, to April 1, 2024:

		Basic Pay Indicator	+	Additional Pay Indicator	=	Gross Pay Trend Indicator
Lower Salary Band (below \$25,815 per month)	:	5.26%	+	1.37%	=	6.63%
Middle Salary Band (\$25,815 – \$79,135 per month)	:	5.03%	+	0.32%	=	5.35%
Upper Salary Band (\$79,136 – \$159,130 per month)	:	3.63%	+	1.42%	=	5.05%

The 2024 PTS was conducted by the Pay Survey and Research Unit of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service based on an improved methodology as approved by the Chief Executive-in-Council in March 2007.

The survey findings reflect the pay trend in 113 surveyed companies covering 134 376 employees over the 12-month period from April 2, 2023, to April 1, 2024. The survey takes into account adjustments to basic salary and additional payments awarded to employees of the surveyed companies attributable to factors in relation to the cost of living, general prosperity and company performance, general changes in market rates, merit and inscale increment, in accordance with the approved survey methodology.

A breakdown of the 113 companies by size is as follows:

	No. of Companies
Larger companies (employing 100 or more staff)	83 (73%)
Smaller companies (employing 50 – 99 staff)	30 (27%)
Total :	113 (100%)

The distribution of the 134 376 employees by the three salary bands is as follows:

	No. of Employees
Lower Salary Band (below \$25,815 per month)	57 947 (43%)
Middle Salary Band (\$25,815 – \$79,135 per month)	65 323 (49%)
Upper Salary Band (\$79,136 – \$159,130 per month)	11 106 (8%)
Total :	134 376 (100%)

The PTSC met today to verify and consider the 2024 PTS Report. The two representatives of the Standing Commission on Civil Service Salaries and Conditions of Service, the representative of the Standing Committee on Disciplined Services Salaries and Conditions of Service, the Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service, the two representatives of the Civil Service Bureau, the two Staff Side Representatives of the Senior Civil Service Council, the three Staff Side Representatives of the Model Scale 1 Staff Consultative Council, the two Staff Side Representatives of the Police Force Council and the two Staff Side Representatives of the Disciplined Services Consultative Council validated the survey findings.

The meeting was chaired by the Chairperson of the PTSC, Mr Laurence Li, SC, who is a member of the Standing Commission on Civil Service Salaries and Conditions of Service.

Mr Li said, "The 2024 PTS was conducted in accordance with the agreed methodology and in a professional and objective manner. The PTSC will submit the Pay Trend Survey Committee Report to the Government for consideration."

"The relevant pay trend indicators are yielded from the pay trends in the private sector companies as revealed by the survey. Civil service pay adjustment is, however, a separate matter. I understand that in accordance with the established practice, the Chief Executive-in-Council will take into account the pay trend indicators derived from the PTS and other pertinent considerations before making a decision on the 2024-25 civil service pay adjustment," he added.

Mr Li expressed the PTSC's sincere appreciation for the co-operation and robust support rendered by the companies to the Pay Survey and Research Unit.

Exchange Fund Notes tender results

The following is issued on behalf of the Hong Kong Monetary Authority:

Exchange Fund Notes tender results

Tender date	: May 22, 2024
Paper on offer	: EF Notes
Issue number	: 02Y2605
Issue date	: May 23, 2024
Maturity date	: May 26, 2026
Coupon	3.77% p.a.
Competitive Tender Result	
Amount applied	: HK\$2,850 MN
Amount allotted	: HK\$1,200 MN
Average price accepted (yield)	: 99.76 (3.93 PCT)
Lowest price accepted (yield)	: 99.60 (4.02 PCT)
Pro rata ratio*	: About 4 PCT
Average tender price (yield)	: 99.59 (4.03 PCT)
Non-competitive Tender Results (for applications submitted through Hong Kong Securities Clearing Company Limited)	
Amount applied	: NIL
Amount allotted	: NIL
Allotment Price (yield)	: NIL
Pro rata ratio*	: NIL

* "Pro rata ratio" refers to the average percentage of allotment with respect to each tender participant's tendered amount at the "lowest price accepted" level.

LC: Speech by SLW on moving second reading of Social Workers Registration (Amendment) Bill 2024

Following is the speech by the Secretary for Labour and Welfare (SLW), Mr Chris Sun, on moving the second reading of the Social Workers Registration (Amendment) Bill 2024 at the Legislative Council today (May 22):

President,

I move the second reading of the Social Workers Registration (Amendment) Bill 2024. The objective of the Bill is to improve the governance of the Social Workers Registration Board to ensure that the Board acts in the public interest and fosters the progressive development of the social work profession.

Registered social workers (RSWs) shoulder great responsibilities. They bear social responsibilities towards the clients with whom they are in frequent contact. As social workers have the trust of their clients and exert on them significant influence, they are more obliged to honour the rule of law as well as consciously safeguard national security, social order and public interest, while performing their duties in a fair and impartial manner to set a good example. The Social Workers Registration Ordinance empowers the Board to handle registration of social workers, disciplinary control and related matters. Apart from being empowered by law to handle registration of social workers and disciplinary matters, the Board, in exercising its public powers, bears responsibilities towards the clients of RSWs and the community as a whole, and has a duty to safeguard national security and act in the public interest.

Noting that the Board's conduct and decisions in recent years have seriously deviated from the spirit of the Ordinance in the areas of social worker registrations, disciplinary control and professional development, the Government considers that there is an urgent need to improve the governance of the Board so that it can more effectively protect the public interest and safeguard national security. In this connection, the Government proposes the following amendments to the Ordinance:

(1) The Bill will expand the membership of the Board for broader and more balanced participation. I wish to stress that upon the Board's reconstitution, RSWs will continue to account for more than half of the seats of the Board with at least 14 RSWs among the 27 members. On the premise of ensuring professional self-regulation, the Government will appoint RSWs of diverse backgrounds and positions to the Board to complement Board members returned by election, so that different voices within the social work profession will be brought into the Board and reflected in its decisions. In addition, appointing more members from other professions and prominent personalities from different sectors of the community will bring in a

broader, more diverse and balanced participation in the Board to provide the checks and balances required for ensuring that the public interest will be safeguarded;

(2) The Bill will enable prompt removal of RSWs convicted of serious offences. Registrations of social workers are renewed annually. Where a social worker has committed a serious offence but his/her registration has not yet expired, his/her case would normally be considered upon the next renewal of his/her registration according to the current practice. Such practice cannot ensure that the interest of clients would be protected and is not in line with the legislative intent. The objective of the new mechanism is to ensure that the Board can promptly deal with cases of registrations by social workers who have committed serious offences. I must emphasise that we have no intention to bar ex-offenders from becoming social workers across the board. Given that social workers shoulder social responsibilities towards clients of disadvantaged groups, we consider that the Board needs to strike a proper balance between the interest of individual applicants for registration and the public interest, by promptly and meticulously processing applications for registration involving serious offences, so as to live up to the expectations of society;

(3) The Bill will lend clarity to the effective date of the Code of Practice for Registered Social Workers and the appointment to the Disciplinary Committee Panel, which will be the date on which the SLW publishes a notice in the Gazette. This will enable the SLW to better perform his gate-keeping role;

(4) The Bill will empower the Board to set continuing professional development (CPD) requirements for the social work profession. The objective of CPD is to ensure that the social work profession can meet the changing service needs of the community and continue to serve the best interest of the needy, while promoting the long-term and sustainable development of the social work profession. I wish to point out that the relevant amendment provisions only empower the Board to set CPD requirements, but do not prescribe an implementation timetable. The content, approach and timetable of the future CPD requirements of RSWs will be devised by the Board, the majority of which will be RSWs. I believe that the Board will strike a balance among factors such as the sector's manpower and workload situation as well as professional development need in taking forward the work on this front in a pragmatic and orderly manner, with a view to promoting the long-term development of the social work profession; and

(5) The Bill will require all members of the Board to take an oath. They must sign an oath before the assumption of office, affirming that they will uphold the Basic Law and bear allegiance to the Hong Kong Special Administrative Region of the People's Republic of China, and return the signed oath within the period specified by the SLW. A person must not take up the office or continue to hold the office as a member of the Board if he/she declines or neglects to take the oath, or if the SLW is satisfied that the person does not genuinely and truthfully take the oath. In addition, the breach of the oath will be a valid ground for the Chief Executive to declare a Board member's office to be vacant.

We briefed the Legislative Council (LegCo) Panel on Welfare Services on May 16, 2024, on the proposal, and Members supported the Bill. I am also pleased to learn that the social welfare sector, the LegCo and various sectors of the community, including some members of the Board, are supportive of our efforts in improving the governance of the Board as soon as possible.

The Government will fully complement the work of the LegCo in scrutinising the Bill, with a view to seeking Members' support and early passage of the Bill, so that the Board will be put back on the right track the soonest possible. President, I so submit.

Thank you, President.

Fraudulent website related to Bank Julius Baer & Co. Ltd.

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Bank Julius Baer & Co. Ltd. relating to a fraudulent website, which has been reported to the HKMA. A hyperlink to the press release is available on the [HKMA website](#).

The HKMA wishes to remind the public that banks will not send SMS or emails with embedded hyperlinks which direct them to the banks' websites to carry out transactions. They will not ask customers for sensitive personal information, such as login passwords or one-time password, by phone, email or SMS (including via embedded hyperlinks).

Anyone who has provided his or her personal information, or who has conducted any financial transactions, through or in response to the website concerned, should contact the bank using the contact information provided in the press release, and report the matter to the Police by contacting the Crime Wing Information Centre of the Hong Kong Police Force at 2860 5012.