

# Air Passenger Departure Tax Ordinance (Amendment of Second Schedule) Order 2025 to be gazetted this Friday

The Air Passenger Departure Tax Ordinance (Amendment of Second Schedule) Order 2025 will be gazetted this Friday (June 13) to expand the scope of passengers to be exempted from paying the air passenger departure tax (APDT) under the Air Passenger Departure Tax Ordinance (Cap. 140) (the Ordinance).

The Ordinance currently allows certain classes of passengers to be exempted from payment of the APDT, including children under 12 years of age, direct transit or connecting flight passengers, passengers who arrive at and depart from Hong Kong by aircraft on the same day, and passengers who arrive at Hong Kong International Airport (HKIA) by vehicle via the Hong Kong-Zhuhai-Macao Bridge or by ship and subsequently depart from Hong Kong by aircraft while remaining within the restricted area at all times before departure, etc.

The 2025-26 Budget announced the increase of APDT from \$120 to \$200 per passenger. While the increase will only have a minimal impact on air passengers as it constitutes only a very small portion of the overall travelling cost of the general public and tourists, with a view to enhancing the competitiveness of HKIA, the Government, having considered the stakeholders' view, will expand the exemption scope under the Ordinance to include:

- (1) passengers arriving at HKIA by aircraft and departing from HKIA by aircraft on the arrival day or on the following day (i.e. a maximum of 48 hours); and
- (2) passengers arriving in Hong Kong through immigration controls by means other than by aircraft and departing from HKIA by aircraft on the arrival day or on the following day (i.e. a maximum of 48 hours), with an exclusionary provision incorporated to prevent people from making a brief return trip between Hong Kong and the Mainland or Macao deliberately so that they can be eligible for an exemption of the APDT.

The two new exemptions will take effect on October 1 this year, together with the new tax rate of the APDT. Passengers arriving in Hong Kong on or after that day and meeting the exemption criteria will be exempted from the APDT. Based on air passenger traffic statistics in 2024, the two exemptions could benefit about 830 000 air transfer passengers and about 2.5 million intermodal transfer passengers annually, leading to a potential revenue foregone of about \$670 million per year.

A Government spokesman said, "The new exemptions can help attract more passengers to use HKIA, thus consolidating Hong Kong's status as an international aviation hub. As there will be more transfer passengers'

spending on hotel accommodation and local consumption during their stay, the exemptions are expected to bring about positive economic benefits."

The Government will engage the Airport Authority Hong Kong (AA) to handle refund applications centrally for all eligible passengers. The AA will set up a new e-application platform for passengers to apply for receiving the refund by cash at the airport or by other means, such as credit cards and electronic payment platforms.

The Order will be tabled at the Legislative Council for negative vetting on June 18.