

Government welcomes passage of Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Bill 2019

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, welcomed the passage of the Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Bill 2019 by the Legislative Council today (July 15).

The Ordinance seeks to amend the Inland Revenue Ordinance (Cap. 112) to reduce the profits tax rate by 50 per cent (i.e. 8.25 per cent) for all general reinsurance business of direct insurers, selected general insurance business of direct insurers and selected insurance brokerage business.

Mr Hui said that the new Ordinance would promote the development of the marine and specialty risk insurance businesses of Hong Kong and enhance the development of high value-added maritime services. The new Ordinance would also assist the insurance industry to seize new opportunities, including those arising from the Belt and Road Initiative.

Going forward, the Government and the Insurance Authority will proceed with the next stage of preparatory work, including formulation of implementation details and drafting of subsidiary legislation. The target is to give effect to the aforementioned tax concessions by the end of 2020 or early 2021.