


HONG KONG BUDGET 2021-22

Supporting enterprises and employment	Relieving people's hardship	Reviving and stimulating the economy
Reduce profits tax for the year of assessment 2020-21 by 100%, subject to a ceiling of HK\$10,000	Reduce salaries tax and tax under personal assessment for the year of assessment 2020-21 by 100%, subject to a ceiling of HK\$10,000	Issue electronic consumption vouchers with a total value of HK\$5,000
Extend the application period of the Special 100% Guarantee Product to the end of 2021 and raise the loan ceiling to HK\$6 million	Establish a Special 100% Loan Guarantee for Individuals Scheme for the unemployed of up to HK\$80,000	HK\$375 million to the Hong Kong Trade Development Council for developing virtual platforms
Waive business registration fees for 2021-22	HK\$6.6 billion to create around 30,000 time-limited jobs	HK\$765 million to support the Hong Kong Tourism Board in reviving Hong Kong's tourism industry
Expand the scope of the Continuing Education Fund to include online courses	Grant each residential electricity account a subsidy of HK\$1,000	HK\$1.5 billion to the BUD Fund to increase geographical coverage to 37 economies

ECONOMIC AND FISCAL OUTLOOK 2021


- The Financial Secretary is forecasting Hong Kong's economy will grow 3.5% to 5.5% in 2021 after contracting 6.1% in 2020
- Economy is expected to grow by an average of 3.3% per annum from 2022 to 2025
- For FY 2020-21 forecasted deficit is HK\$257.6 billion
- For FY 2021-22 forecasted deficit is HK\$101.6 billion, or 3.6% of GDP

TAX ANNOUNCEMENTS

 Raise the rate of Stamp Duty on Stock Transfers, from the current 0.1% to 0.13% of the consideration or value of each transaction payable by buyers and sellers respectively.

Actively implement the BEPS 2.0 proposals according to international consensus.



 Not the appropriate time to revise rates of profits tax and salaries tax or to introduce new taxes.

FIND OUT MORE

Register [here](#) for CPA Australia's 2021-22 Hong Kong Budget webinar.

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FINANCIAL SERVICES

- Double the borrowing ceiling of the Government Green Bond program to allow for further issuance of green bonds totalling HK\$175.5 billion within the next five years.
- Expand Bond Connect to cover both Southbound and Northbound trading.
- Launch a two-year Pilot Insurance-linked Securities Grant Scheme to attract insurance enterprises or organisations to issue ILS in Hong Kong.
- Offer one-stop support services to family offices interested in establishing a presence in Hong Kong and review the relevant tax arrangements.
- Raise the borrowing limit of the Government Bond Program from HK\$200 billion to HK\$300 billion to allow sufficient room for bond issuances.

INNOVATION AND TECHNOLOGY

- HK\$200 million to extend the IT Innovation Lab in Secondary Schools Program to primary schools.
- HK\$9.5 billion injection into the Innovation and Technology Fund for two years to sustain its 17 funding schemes.
- Launch a Global STEM Professorship Scheme to support universities in attracting world-renowned I&T scholars and their teams to Hong Kong.
- Hong Kong Monetary Authority to consider enhancing the Fintech Supervisory Sandbox to reduce time for launching innovative financial products / services in the market.
- Provide electronic submission means for most government forms and licence applications by mid-2022.

BUILDING A LIVEABLE CITY

- HK\$147 million to enhance mental health services.
- Provide an extra 1,500 subsidised elderly home care service places.
- HK\$1 billion to install small-scale renewable energy systems at government buildings and infrastructure.
- HK\$150 million to conduct energy audits and install energy-saving appliances, free of charge, for social welfare NGOs.
- HK\$500 million to enhance facilities in country parks.

SUPPORT ENTERPRISES AND INDIVIDUALS

- Provide rates concession for non-domestic properties in 2021-22, subject to a ceiling of HK\$5,000 per quarter in the first two quarters and HK\$2,000 per quarter in the remaining two quarters.
- Provide rate concession for domestic properties in 2021-22, subject to a ceiling of HK\$1,500 per quarter in the first two quarters and HK\$1,000 per quarter in the remaining two quarters.
- Launch the fourth tranche of the Love Upgrading Special Scheme, providing more options and online courses.
- Continue to grant 75% rental / fee concession for eligible Government properties / short-term tenancies and waivers for 6 months.

For more information, visit the Hong Kong 2021-22 Budget page [here](#).