



Lee & Yu Certified Public Accountants

李志輝 · 余仲良 會計師事務所

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客戶通訊 Newsletter

JUL AUG 2022

# Congratulations to Mr. Yu Chung Leung for receiving the Chief Executive's Commendation for Community Service Award this year



Sources: The Standard

The Government announced the 2022 Honours List appointments. 889 people receive honours medals awarded by former Chief Executive Carrie Lam. The recipients of honors and awards come from different social classes and backgrounds, who have made significant contributions to Hong Kong and benefited all sectors of society.

The partner of our firm, Mr. Yu Chung Leung was awarded the Chief Executive's Commendation for Community Service Award by The Government of Hong Kong Special Administrative Region this year, in recognition of his contribution to the Hong Kong society.

這份客戶通訊是為客戶提供感興趣之資料，並不能視為專業意見，如客戶需要更多資料或有任何疑問，請與本所聯絡。

This Newsletter is designed to provide information on subjects which may be of interest to our clients. It is not intended as professional advice. If you need more information or have a specific question, please contact us.



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# Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022 gazetted

The Government published in the July 22 Gazette the Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022 (the Ordinance) to provide half-rate profits tax concessions (i.e. at a tax rate of 8.25 per cent) to qualifying shipping commercial principals (i.e. ship agents, ship managers and ship brokers) so as to implement the 2021 Policy Address initiative on growing the maritime business. Tax concessions will apply to sums received by or accrued to shipping commercial principals on or after April 1, 2022.

In addition, under the Ordinance, the profits derived by a qualifying shipping commercial principal from carrying out a qualifying activity for an associated shipping enterprise, which is entitled to a concessionary tax rate or income exemption under the Inland Revenue Ordinance, will be subject to the same concessionary tax rate or income exemption as those applicable to the associated shipping enterprise. The Ordinance has built in anti-abuse provisions to safeguard the integrity of the tax system and comply with the latest international tax rules.

The "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" and the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" support consolidating Hong Kong's position as an international maritime centre and the development of high value-added maritime services in Hong Kong for better integration into the country's development course. To develop Hong Kong into a ship leasing centre in the Asia-Pacific region, the Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Bill 2020 was passed by the Legislative Council in June 2020. It provides for tax exemption and half rate tax concession on qualifying income by qualifying ship lessors and ship leasing managers respectively. Recognising the business opportunities arising from the growth of shipping commercial principals and the competitive landscape for maritime business in the region, the Government announced its plan to introduce tax concessions for shipping commercial principals in 2021. The Ordinance will strengthen Hong Kong's competitiveness in attracting ship agency, ship management and ship broking activities, which will also help attract the setting up of high-valued maritime business establishments in Hong Kong, thereby consolidating the city's position as an international maritime centre.