

Hong Kong Tax Incentive for Shipping-related Activities

Half Tax Rate - Concessionary tax rate of **8.25%** (i.e. half of the prevailing profits tax rate of 16.5%) on profits derived from qualifying activity in Hong Kong or qualifying activity carried out for an associated ship leasing manager, which is entitled to a concessionary tax rate of 8.25%.

0% Tax Rate - Concessionary tax rate of **0%** on profits derived from qualifying activity carried out for an associated ship lessor / ship leasing manager, which is entitled to a concessionary tax rate of 0%.

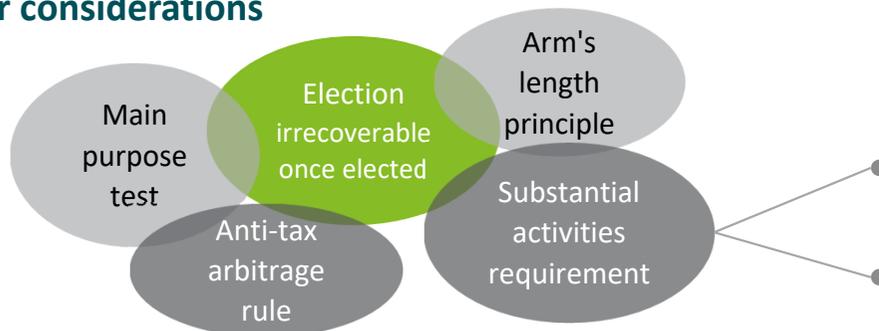
Tax exemption - Income exemption on profits derived from qualifying activity carried out for an associated ship operator / ship owner, whose income are exempt from tax.

Qualifying shipping commercial principals

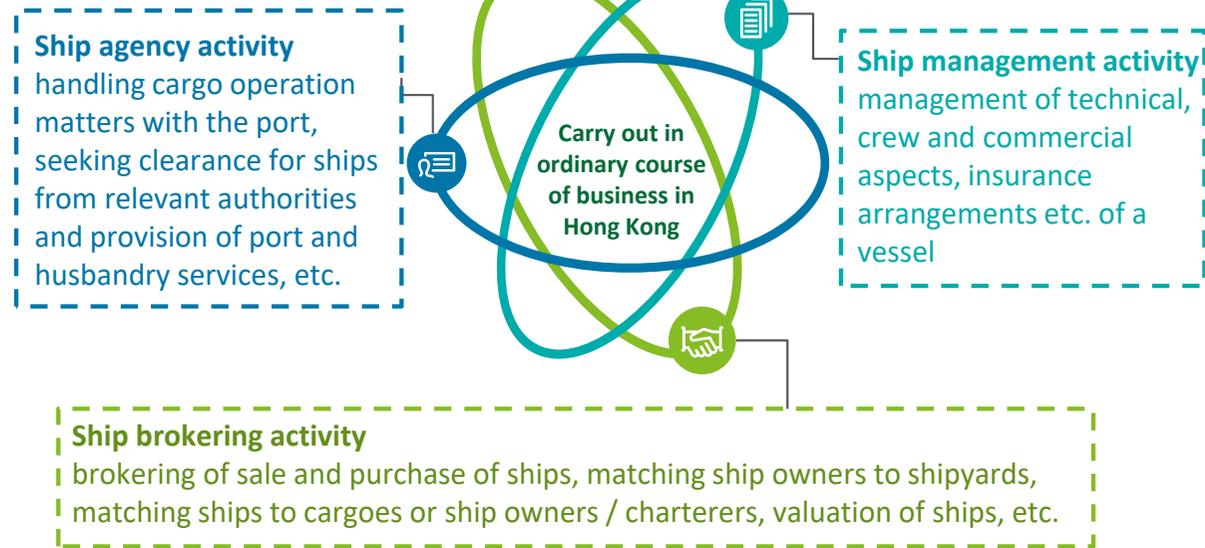


* Profits and assets % on qualifying activities \geq 75%

Other considerations



Qualifying activities



Average no. of full-time qualifying employees in Hong Kong
Not less than **1**

Annual operating expenditure incurred in Hong Kong
Not less than **HKD 1 million**

Service offerings

-  **Business Model Planning**
 - recommend a tax efficient model
-  **Implementation**
 - review service agreements
 - perform transfer pricing analysis
 - provide tax compliance services
-  **Review**
 - review current service arrangements for eligibility / sustainability to tax concession
 - advise on the election for tax concession

Key contacts

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