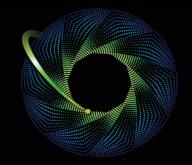
Deloitte.





GES Tax Newsflash Support Assisted Reproductive Services

Hong Kong | Global Employer Service | 5 December 2024

Overview

In the Chief Executive's 2023 Policy Address¹ delivered on 25 October 2023, to promote fertility and create a childbearing environment, the Chief Executive announced that the Government will enhance support in this area and provide tax deductions for Assisted Reproductive (AR) service expenses from the year of assessment 2024/25. Starting from the year of assessment 2024/25, the Government will provide deductions for expenses on AR service under salaries tax and personal assessment, subject to a ceiling of HK\$100,000 a year.

Proposed Bill subject to Legislative Council's approval

The Bill² was published in the gazette on 29 November 2024 and will be introduced to the Legislative Council for first reading on 11 December 2024.

The Bill is proposed to apply from 1 April 2024 and shall allow a deduction for up to HK\$100,000 per year of assessment for qualifying AR service expenses paid by the taxpayer and/or his/ her spouse.

Upon passage of the Bill, the Government will issue a standard form of proof for qualifying AR service expenses to facilitate claims for the tax deduction. Taxpayers who have paid AR service expenses on or after 1 April 2024 and intend to claim tax deductions for such expenses upon implementation of the proposed tax deduction should keep relevant documents, including receipts from the licensed centre which provided the relevant services, as proof. Further details will be shared upon passage of the Bill.

Our observation

We welcome and support the proposed deduction for AR service expenses, which, combined with other supports announced in the Policy Address, including newborn baby bonus and the raising of the accommodation-related tax deduction ceiling for taxpayers, demonstrates that the Government is committed to promote fertility and create a childbearing environment.

¹ For the 2023 Policy Address, please visit <u>Policy Address | The Chief Executive's 2023 Policy Address</u>.

² Inland Revenue Department (Amendment)(Tax Deductions for Assisted Reproductive Service Expenses) Bill 2024

Tax Newsflash is published for the clients and professionals of Deloitte Touche Tohmatsu. The contents are of a general nature only. Readers are advised to consult their tax advisors before acting on any information contained in this newsletter.

Authors

Esti Chui Tax Director +852 2852 5682 echui@deloitte.com.hk Vivian Lam Senior Tax Manager +852 2852 5636 vilam@deloitte.com.hk

For more information, please contact:

Global Employer Services National Leader

Maria Liang Tax Partner +86 21 6141 1059 mliang@deloittecn.com.cn Hong Kong

Mona Mak Tax Partner +852 2852 1051 monmak@deloitte.com.hk



About Deloitte

Deloitte China provides integrated professional services, with our long-term commitment to be a leading contributor to China's reform, opening-up and economic development. We are a globally connected firm with deep roots locally, owned by our partners in China. With over 20,000 professionals across 31 Chinese cities, we provide our clients with a one-stop shop offering world-leading audit & assurance, tax & business advisory, strategy, risk & transactions, and technology & transformation services.

We serve with integrity, uphold quality and strive to innovate. With our professional excellence, insight across industries, and intelligent technology solutions, we help clients and partners from many sectors seize opportunities, tackle challenges and attain world-class, high-quality development goals.

The Deloitte brand originated in 1845, and its name in Chinese (德勤) denotes integrity, diligence and excellence. Deloitte's global professional network of member firms now spans more than 150 countries and territories. Through our mission to make an impact that matters, we help reinforce public trust in capital markets, enable clients to transform and thrive, empower talents to be future-ready, and lead the way toward a stronger economy, a more equitable society and a sustainable world.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.