



Hong Kong Tax Newsflash

Passage of tax concessions for shipping-related activities



The Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022 has been gazetted today to provide profits tax concessions for certain ship agents, ship managers and ship brokers (collectively "shipping commercial principals"). The new tax concession applies retrospectively to sums received or accrued on or after 1 April 2022.

As a recap, subject to certain conditions, the profits derived by a qualifying shipping commercial principal from carrying out a qualifying activity in Hong Kong will be subject to:

- profits tax rate at 8.25%;
- if the qualifying activity is carried out for an associated ship lessor / ship leasing manager, which is entitled to a concessionary tax rate of 0% or 8.25%, the same concessionary tax rate (i.e. 0% or 8.25%) applies to the qualifying shipping commercial principal;
- if the qualifying activity is carried out for an associated ship operator / ship owner, whose income are exempt from tax, the same income exemption applies to the qualifying shipping commercial principal.

Please refer to our [Hong Kong Tax Newsflash \(Issue 154\)](#) published on 8 June 2022 for more details.

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