



Hong Kong Tax Newsflash

New Initiatives to Attract Business and Talents - Chief Executive's 2022 Policy Address

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Overview

On 19 October 2022, the Chief Executive delivered his 2022 Policy Address which included a number of initiatives to proactively attract business, and talent to Hong Kong.

Deloitte's view

The focus on attracting talent is much welcomed. With a focus on streamlining procedures and actively pursuing key talent, Hong Kong is defining its approach to the increased talent challenges globally post-pandemic. Programs such as Top Talent Pass Scheme provide a flexible path to individuals looking to seek employment opportunities in Hong Kong. Along with increased focus on digitalizing the immigration process, we fully support the initiatives proposed.

What is the change?

For detailed information on the full policy address, please visit <https://www.policyaddress.gov.hk/2022/en/policy.html>

Attracting talent

The following measures will be implemented:

1. Top Talent Pass Scheme:

Eligible talent will be issued a 2-year pass for exploring opportunities in Hong Kong. They include:

- I. Individuals whose annual salary was at least HKD2.5 million in the past year, not quota based
- II. Individuals who graduated from the world's top 100 universities with at least three years of work experience over the past five years, not quota based

For individuals who graduated from the world's top 100 universities in the past five years with less than 3 years of work experience, annual quota of 10,000 will be allocated to them under this Scheme.

2. Streamline application processing:

Vacancies falling under the talent list (currently consists of 13 professions <https://www.talentlist.gov.hk/en/>), or with annual salary of at least HKD2 million, employers will not be required to provide proof of substantial difficulties in local recruitment in support of employment visa applications under the General Employment Policy (GEP) and the Admission Scheme for Mainland Talents and Professionals (ASMTP). The updated talent list is expected to be available in the first quarter of 2023.

3. Quality Migrant Admission Scheme (QMAS):

To suspend the annual 4,000 quota for a period of two years, and to improve the approval process.

4. Immigration Arrangements for Non-local Graduates (IANG):

Initial IANG visa to be valid for a maximum of 2-year period, instead of the current 1-year period. Other than those eligible persons who studied in Hong Kong, it will expand and cover those who graduated from the Greater Bay Area campus of a Hong Kong university.

5. Technology Talent Admission Scheme (TechTAS):

The lifting of the requirement to employ the requisite number of new local employees – i.e. for every one to three visas under TechTAS, the company would need to employ one new local full-time employee, plus two local interns.

6. Employment visa validity:

To be valid for a maximum 3-year period.

7. Residential property stamp duty:

To refund to eligible individuals Buyer's Stamp Duty and the New Residential Stamp Duty paid for the first residential property purchased

which they will still own after seven years of residency in Hong Kong and become a Hong Kong permanent resident. This arrangement applies to any sale and purchase agreement entered on 19 October 2022 and thereafter. Eligible talents include those who entered Hong Kong under GEP, ASMTTP, QMAS, IANG, TechTAS, Admission Scheme for the Second Generation of Chinese Hong Kong Permanent Residents and the newly launched Top Talent Pass Scheme. Ad Valorem Stamp Duty at Scale 2 rates will still be payable.

8. Visitors Participating in Short-term Activities:

To explore expanding to more categories, other than the current 10 sectors supported by the relevant government bureaux/departments where eligible visitors are not required to apply for employment visa to undertake the specified short-term activities in Hong Kong. Details of the current measures can be found on

<https://www.immd.gov.hk/eng/services/visas/stv.html> .

9. Talents Service Unit:

To establish **Talents Service Unit** to formulate strategies to recruit talents from mainland China and overseas, and provide one-stop support to incoming talents; as well as to coordinate with the Immigration Department to process applications, provide support services, and to draw up performance pledges to enhance efficiency in application processing.

10. Electronic services:

To launch electronic services for all visa applications within this year.

Attracting business

Hong Kong will establish an Office for Attracting Strategic Enterprises, in order to attract high potential and representative strategic enterprises (such as life and health technology, artificial intelligence and data science, financial technology, and advanced manufacturing and new energy technology) from mainland China and overseas; to draw up a list of target enterprises; to formulate attractive special facilitation measures covering aspects such as land, tax, and financing that are applicable exclusively to target enterprises, and provide them with tailor-made plans to facilitate the setting up of their operations in Hong Kong; and to provide employees of these target enterprises with one-stop facilitation services in areas such as visa application and education arrangement for their children.

Dedicated Teams for Attracting Business and Talents in the Mainland offices and overseas Economic and Trade Offices will be setup to proactively reach out to target enterprises and talent, and persuade them to pursue development in Hong Kong; to liaise with the world's top 100 universities and promote related schemes; and to strengthen links with Hong Kong people studying or working in mainland China or overseas, encouraging them to return to Hong Kong.

The government plans to set aside HKD30 billion from the Future Fund to establish the Co-Investment Fund to attract enterprises to set up

operations in Hong Kong and investing in their businesses, including to consider co-investing in individual projects of the target enterprises, taking into account their potential to drive industry development in Hong Kong.

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