

Press release

Order to abolish capital duty gazetted Friday, March 16, 2012

The Government published in the Gazette today (March 16) the Companies Ordinance (Amendment of Eighth Schedule) Order 2012 to abolish capital duty currently levied on Hong Kong companies that have a share capital under the Companies Ordinance.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "The Order is to implement the Financial Secretary's proposal in the 2012-13 Budget Speech to abolish capital duty levied on local companies."

The amendments will be applicable to companies which lodge the relevant documents about incorporation, increases in nominal share capital or the issuing of shares at a premium with the Companies Registry on or after June 1, 2012. It is estimated that the implementation of this proposal would cost government revenue around \$90 million a year.

"This initiative seeks to encourage investors to set up companies in Hong Kong to raise capital and expand their business, thereby enhancing Hong Kong's attractiveness as a company domicile and our competitiveness as an international business centre," Professor Chan said.

The Order will be tabled at the Legislative Council for negative vetting on March 21 this year. Subject to the necessary legislative process, the Order will come into operation on June 1, 2012.

Ends