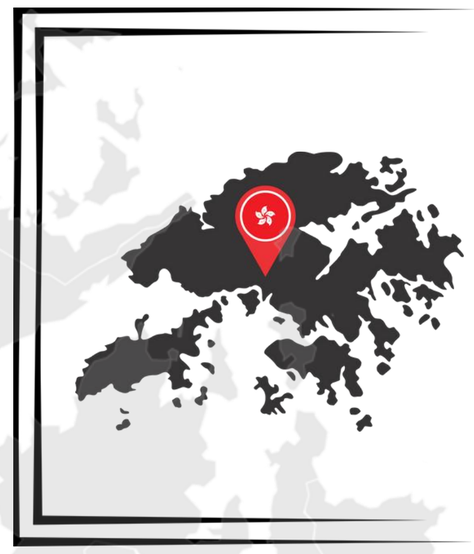
HONG KONG BUDGET ADDRESS 2026/27

LANAO CONSULTING



The 2026/27 Budget for the Hong Kong Special Administrative Region

Dear Customers,

On 25th February, 2026, the Finance Secretary of the Hong Kong Special Administrative Region, Mr. Paul Chan, announced the 2026/27 fiscal policy of the government. The most important points of the fiscal / financial policy that will enter into force on 1st April, 2026 are the following:

The information provided in this brochure is expressed in Hong Kong dollars.

1. Salaries Tax and Profits Tax

1.1 Salaries Tax (for Individuals)

The standard income tax rates for individuals will remain unchanged for the 2026/27 fiscal year.

Once the allowed deductions, charitable donations, and personal allowances have been applied, the remaining income will be subject to tax according to the following progressive rates.

	2026/27
First $50,000	2%
Next $50,000	6%
Next $50,000	10%
Next $50,000	14%
Remainder	17%

	2025/26
First $50,000	2%
Next $50,000	6%
Next $50,000	10%
Next $50,000	14%
Remainder	17%

However, the maximum tax payable is limited to the tax at the standard rate on the individual's income from employment, after allowing for the permitted deductions, but without a deduction for personal allowances.

	2026/27
First $5,000,000	15%
Remainder	16%

	2025/26
First $5,000,000	15%
Remainder	16%

Personal allowances

	2026/27	2025/26
Basic allowance	$145,000	$132,000
Married Person's Allowance	$290,000	$264,000
Child allowance		
• 1st to 9th child (each)		
First two years following childbirth (2026/27) / year of birth (2025/26)	$280,000	$260,000
other years	$140,000	$130,000
Dependent parent/grandparent allowance		
• Aged 60 or above		
not residing with taxpayer throughout the year	$55,000	$50,000
residing with taxpayer throughout the year	$110,000	$100,000
• Aged 55 to 59		
not residing with taxpayer throughout the year	$27,500	$25,000
residing with taxpayer throughout the year	$55,000	$50,000
• Eligible to claim an allowance under the Government's Disability Allowance Scheme		
not residing with taxpayer throughout the year	$55,000	$50,000
residing with taxpayer throughout the year	$110,000	$100,000
Dependent brother/sister allowance	$37,500	$37,500
Single parent allowance	$145,000	$132,000
Disabled Dependant allowance (in addition to any allowances already granted for the disabled dependant)	$75,000	$75,000
Personal disability allowance (in addition to any allowances already granted for the disabled person)	$75,000	$75,000

Note: Salaries tax payable is calculated at progressive rates on a taxpayer's net chargeable income or at standard rate on his/her net income (before deduction of the allowances), whichever is lower.

1.2 Profits Tax (for Companies)

The profits earned by corporations are taxed at a standard rate of 16.5%, while the profits earned by unincorporated businesses are taxed at a standard rate of 15%. The two-tiered profits tax rates applicable to corporations are detailed below:

Rates of tax (two-tiered profits tax rates)- Remain Unchanged

	2026/27	2025/26
Corporations		
• First $2,000,000 assessable profits	8.25%	8.25%
• Remainder	16.5%	16.5%

Note: If, at the end of the basis period of the entity for the relevant year of assessment, the entity has one or more connected entities, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates. The others would not qualify for the two-tiered profits tax rates.

1.3 Tax Reduction

Profits Tax, Salaries Tax and Tax under Personal Assessment

A one-off 100% reduction in the final tax payable for the year of assessment 2025/26, subject to a ceiling of HK$3,000 per case.

2. Government Fees

From 1 April 2026, the total amount payable for a one-year Business Registration Certificate will be HK$2,350, comprising a registration fee of HK$2,200 and a levy of HK$150.

If you require more information about the Budget Policy 2026/27 of the Government of the Hong Kong Special Administrative Region and other tax issues in the region, do not hesitate to contact us at +852 2528 4999 or by email at: info@la-nao.com

Sincerely,

La Nao Consulting