

Hong Kong Budget Highlights 2026/27



This document highlights the measures put forward in the Financial Secretary's latest budget, focusing on enhancing Hong Kong's economic growth and fiscal consolidation. The proposals are summarised below.

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Macro and fiscal snapshot



Tax support measures

The measures below cover the main tax, property, asset management and economic support updates announced this year.

A. Individuals

Salaries tax relief (YA 2025/26)

- 100% reduction, capped at HK\$3,000

Enhanced allowances (from YA 2026/27)

- Basic / Single Parent Allowance → HK\$145,000
- Married Person → HK\$290,000
- Child Allowance → HK\$140,000
- Dependent Parent/Grandparent Allowances increased
- Elderly residential care deduction cap → HK\$110,000

B. Corporates and multinational enterprises

Profits tax relief (YA 2025/26)

- 100% reduction, capped at HK\$3,000

Global Minimum Tax (BEPS 2.0)

- Applies to MNE groups with consolidated revenue ≥ EUR 750M
- Hong Kong Minimum Top-up Tax introduced (to meet global requirements)
- Estimated ~HK\$15B annual revenue from 2027/28

C. Funds / PE / family offices

Industry snapshot

3,300+

single-family offices
in Hong Kong

Regime enhancements

- Expanded definition of “fund”, covering certain funds-of-one
- Qualifying investments broadened to include:
 - Digital assets (wider asset classes)
 - Precious metals
 - Specified commodities

REIT measures

- Privatisation and restructuring arrangements introduced
- Stamp duty waiver for non-residential property transfers into listing REITs

D. Stamp duty and property

Residential property stamp duty

- Transactions above HK\$100M: rate increased 4.25% → 6.5%

Intra-group transfers

- Relief criteria to be relaxed with expanded scope
- Applies retrospectively from 25 Feb 2026

E. Rates concession and one-off support

- Rates concession: first two quarters of 2026/27, cap HK\$500 per tenement per quarter
- Eligible social security recipients: one-month extra allowance (similar for Working Family Allowance recipients)

F. Digital assets/tax transparency

Digital assets

- Licensing regimes for dealers and custodians
- First batch of stablecoin issuer licences March 2026

Tax transparency

- Inland Revenue Ordinance to be amended to implement the OECD Crypto-Asset Reporting Framework

G. Intellectual property (IP)

Tax and regulatory updates

- New deductions for IP acquisition/ rights-to-use (bill this year)

IP development support

- HK\$28M Patent Valuation Support pilot
- HK\$52M to establish the IP Academy

H. Corporate Treasury Centres (CTC) and re-domiciliation

CTCs

- Mid-year enhancements: more tax incentives + pre-approval system

Re-domiciliation

- 22 applications approved so far



I. Innovation and tech (AI+)

AI+ measures

\$3B

AI Subsidy Scheme

\$50M

for AI public programmes

\$100M

for government AI adoption

I&T infrastructure

- Hetao Hong Kong Park: HK\$10B
- San Tin Technopole: HK\$10B
- R&D tax review underway

Figures in Hong Kong dollars

J. Green and sustainability

Electric vehicles

- Full FRT waiver for commercial EVs and motorcycles until end of March 2028
- Private EV concession will not be extended



K. Northern Metropolis/housing /infrastructure

Housing supply

- ~98,000 private units over five years
- ~22,000 private units in 2026/27
- ~196,000 public units + 30,000 LPH units by 2027/28

Infrastructure financing

- Bond issuance: HK\$160B–HK\$220B per year
- Exchange Fund transfer: HK\$75B per year for two years (total HK\$150B)

L. Talent/education

Talent programmes

100,000⁺
Top Talent Pass arrivals



Over
270,000
across all schemes



Education

- Third medical school (HKUST-led) to admit first cohort 2028/29
- HK\$10B loan support for NM University Town

M. Securities market



Market development

- Consultations on WVR, secondary listings and specialist tech listings



Post-trade enhancements

- T+1 settlement consultation this year
- Uncertificated Securities Market launching in 2026



RMB access

- Exploring RMB trading counter under southbound Stock Connect

Key contacts



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This infographic summary is not a holistic guide on the Hong Kong's 2026/27 budget. Some items found in the actual budget are omitted from this summary. To the best of our abilities, we have tried to feature those we deem of interest to the general public and our clients. For a comprehensive read, do head over to the [2026/27 Budget website](#).

Reference: IH1733_February2026

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