

HONG KONG TAX ALERT: GLOBAL MOBILITY FOCUS

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Updates to Hong Kong Immigration policy

The Hong Kong Immigration Department's latest enhancement measures to the visa policy aim to meet the challenges of an ageing population and decreasing workforce.

Summary

Following the 2015 Policy Address by Leung Chun-ying on 14 January 2015, the Hong Kong Immigration Department announced on 4 May 2015 the introduction of various enhancement measures to the visa policy. These measures aim to meet the challenges of an ageing population and decreasing workforce and apply to the General Employment Policy (GEP), the Admission Scheme for Mainland Talents and Professionals (ASMTP) and the Quality Migrant Admission Scheme (QMAS).

Background

On 14 January 2015, Chief Executive Leung Chun-ying announced as part of the 2015 Policy Address that the Capital Investment Entrant Scheme ("CIES") will be suspended as of 15 January 2015.

Under CIES, foreign nationals including individuals from China, Macau and Taiwan are able to apply for a visa to reside in Hong Kong by investing a minimum of HK\$10 million in certain financial assets in Hong Kong. The suspension was announced as part of enhancement measures as the government looks at ways to recruit talent and professionals outside Hong Kong, particularly, individuals with excellent educational background or international work experience.

Following the Policy Address, the Immigration Department announced the following measures on 4 May 2015, which apply to the General Employment Policy (GEP) (for both employment and investment), the Admission Scheme for Mainland Talents and Professionals (ASMTP) and the Quality Migrant Admission Scheme (QMAS). These measures aim to meet the challenges of an ageing population and decreasing workforce.

Enhancement measures

- Introduction of an Admission Scheme to attract second generation of Chinese Hong Kong Permanent Residents (ASSG). This scheme is open to applicants who are aged between 18 and 40, who were born overseas and have a parent who is a holder of a Permanent Hong Kong Identity Card and was a Chinese national settled overseas at the time the applicant was born. The applicant must also have a good education background, technical qualifications or proven professional experience, be proficient in Chinese (both written and spoken) or English and be able to financially support themselves whilst in Hong Kong.

- Relaxation of the stay arrangements for entrants under the General Employment Policy (GEP), Admission Scheme for Mainland Talents and Professionals (ASMTP) and Quality Migrant Admission Scheme (QMAS) such that the initial visa will be issued with a limit of stay of up to two years, and subsequent extension of stay of up to three years. Thus, the pattern of duration of stay will be “2+3+3 years”, instead of “1+2+2+3 years” going forward.
- The introduction of a new tier (referred to as ‘top-tier entrants’) for individuals who entered Hong Kong for employment under the GEP or QMAS. Top-tier entrants are those who have been granted an employment visa under the GEP or QMAS for not less than two years and, at the time of extending their visa, have not less than HK\$2 million of assessable income for Salaries Tax purposes in the previous year of assessment. Where approved, top-tier entrants may be granted a six-year extension of stay on time limitation without other conditions of stay.
- Refinements to the General Points Test under the QMAS such as awarding additional points for individuals holding a Bachelor’s Degree or above awarded by a renowned institution recognised internationally and have at least two years graduate or specialist work experience with international exposure. Under Achievement-based Points Test, talent with outstanding achievements (e.g., recipient of Olympic medal, Nobel prize, national/ international awards) may be granted eight years of stay upon entry.
- Improvements to the criteria for investment visas under the GEP. For example, start-up companies supported by government-backed programmes will be favourably considered.

For further information on KPMG’s Immigration services in Hong Kong, please contact Kate Lai / Marianna Chan on the details below.

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