



# Hong Kong Travel Suspension

## People Services

Tax | Immigration | Recruitment | Reward

11 January 2022

**Hong Kong's suspension of flights and tightened quarantine requirements mean that employers need to be vigilant about their employees' location(s).**

## Current Suspension

Some foreign nationals ventured home for the Christmas and New Year holiday period, for many the first trip back in two years. In the meantime, Hong Kong borders were again tightened and inbound flights suspended from specific locations<sup>1</sup>. For employees, the extended stay may be an unwelcome disruption to their travel and quarantine plans. For employers, it could be a tax and compliance headache.

On 5 January 2022, the HKSAR government announced a suspension of inbound passengers for a period from 8 to 21 January 2022. Employers should consider the potential tax and related implications if the employees remain overseas for an extended period due to the continuation of these travel disruptions or employees choose to remain working overseas.

## Employer's Considerations

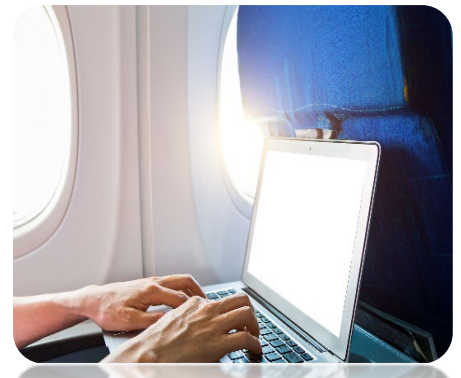
Employers need to be aware of the location of their employees and consider whether any tax or other regulatory obligations might be triggered. Considerations include personal tax, employer reporting or withholding, social security or similar employment taxes and levies, and the possible corporate tax exposure, particularly for front office, or revenue generating roles – if employees work from overseas.

Locations that share a double tax treaty are more likely (but not guaranteed) to have some protection. Other jurisdictions may have domestic law exemptions or concessionary treatment for people "stuck" because of COVID restrictions. These issues need to be considered case-by-case or at least by group of similar cases.

## Other Issues

Additional immigration issues may arise if the employees travel was not back to their country of origin, but to a third location, such as a spouse's home country, where they might not hold the necessary visa or status to work legally.

As of today, flights to Hong Kong from Australia, Canada, France, India, Pakistan, the Philippines, the United Kingdom, the United States of America are suspended. Of these locations, employers' priority focus should be on Australia, the Philippines and USA – being locations that do not share a double tax treaty with Hong Kong.



<sup>1</sup> Flights from 8 places to be banned, 5 January 2022, [news.gov.hk](https://www.news.gov.hk)

Should you have any questions, please reach out your usual KPMG contacts / any of the below.

## Contact us



### Murray Sarelius

National Head of People Services  
KPMG China  
T: +852 3 927 5671  
E: [murray.sarelius@kpmg.com](mailto:murray.sarelius@kpmg.com)



### Isabel Liu

Director  
KPMG China  
T: +852 2913 2953  
E: [isabel.q.liu@kpmg.com](mailto:isabel.q.liu@kpmg.com)



### Chris Lam

Tax Manager  
KPMG China  
T: +852 3 927 5910  
E: [chris.lam@kpmg.com](mailto:chris.lam@kpmg.com)

[kpmg.com/cn](https://kpmg.com/cn)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG Tax Services Limited, a Hong Kong (SAR) limited liability company and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.