



HONG KONG TAX ALERT

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The HKSAR Government announced a fifth round of pandemic relief measures

Summary



On 14 January 2022, the Hong Kong SAR Government unveiled a new round of relief measures of HKD3.57 billion to support businesses and individuals affected by the latest Omicron outbreak. This round of funding is to help certain sectors which have been hit by the Government's latest round of tightened social distancing measures and those sectors which have come to a standstill since the onset of the pandemic. Affected businesses and individuals should consider their eligibility and apply for the financial assistance.

Most of the subsidies and relief measures in this round of relief measures should be exempt from Profits Tax or Salaries Tax.

On 14 January 2022, the Hong Kong SAR Government unveiled a new round of relief measures of HKD3.57 billion to support businesses and individuals impacted by the tightened social distancing measures.

This round of pandemic relief measures will provide funding to certain hard-hit sectors such as the tourism sector and the food and beverage industry. Since February 2020, the Government has launched several rounds of relief measures to help businesses and individuals affected by the pandemic. The total relief provided by the Government to date has reached HKD317.9 billion. This round of relief measures under the Anti Epidemic Fund (AEF) consists of two parts:

- i. An additional funding of HKD2.81 billion to business premises and individuals directly affected by the latest round of social distancing measures (e.g., catering business subsidy scheme, fitness centre and sports premises subsidy scheme, one-off relief grants to instructors, coaches, trainers or operators of interest classes engaged by schools)
- ii. An additional funding of HKD760 million to trades which have not seen any business revival since the onset of the pandemic (i.e., the tourism industry, aviation support services and cross-boundary passenger transport trade)

The key features of the fifth round of relief measures include:

- A one-off subsidy ranging from HKD50,000 to HKD250,000 will be provided to certain eligible food licence holders in operation depending on the licensed area of its premises.
- A one-off cash subsidy of HKD50,000 or more will be provided to each eligible licensed travel agent depending on the number of staff.
- A one-off subsidy ranging from HKD3 million to HKD8 million will be provided to aviation support service companies depending on size.
- A one-off subsidy of HKD50,000 to each eligible fitness centre and sports premises.

For details of the fifth round of relief measures under the AEF, click [here](#)¹.

KPMG observations

While the Government swiftly rolled out the latest round of relief measures, it represents the smallest aid package provided to date which would only provide temporary relief to businesses and individuals impacted by the Omicron outbreak. We hope the Government will disburse the much-needed cash swiftly to affected businesses and individuals and provide further targeted relief measures to support the long-term growth of businesses in Hong Kong SAR and to revive the city's economic recovery.

The financial assistance provided to businesses and individuals under the AEF should continue to be tax exempt from Hong Kong Profits Tax and Salaries Tax under The Exemption from Salaries Tax and Profits Tax (Anti-epidemic Fund) Order. Businesses and individuals should consider their eligibility and apply for the current round of relief measures.

On the same date, in light of the Covid-19 situation, the Inland Revenue Department also announced that the block extension due date for filing the 2020/21 profits tax returns for filing 'M'-code loss returns (i.e., accounting date falling within 1 January 2021 to 31 March 2021) is extended from 31 January 2022 to 28 February 2022.

¹ Source: https://gia.info.gov.hk/general/202201/14/P2022011400659_385542_1_1642159131617.pdf

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