



## HONG KONG

### RESIDENCE BY INVESTMENT

The Hong Kong Special Administrative Region (HKSAR) offers several residence programs for talented individuals seeking residence in this Asian metropolis.

Hong Kong is a diverse, leading metropolis offering a unique blend of Eastern and Western traditions. It is one of the world's most business-friendly cities and has a world-class infrastructure. Hong Kong enjoys an open economy with a free market and low taxation. It is an important international finance and trade center.



#### Minimum Investment Requirement

Applicants must complete a points-based test under the Quality Migrant Admission Scheme



#### Nature of Investment

Capital Investment Entrant Scheme suspended



#### Investment Holding Period

N/A



#### Application Processing Time

4-8 months



#### Global Passport Index Ranking

15



#### Visa Free & Visa on Arrival Access in

115 Countries



#### Key Visa Free travel destinations

Ireland, Macao amongst others



#### The Right to Live, Work and Study without Restrictions in

Hong Kong



**Free Public Education for Citizens**

Yes



**Free or Subsidised Primary Healthcare for Citizens**

Yes



**Dual Citizenship Permitted**

No



**Minimum Time to qualify for Citizenship**

N/A



**First residence permit validity**

6 Months



**Visit required as a part of Application Process**

1



**Physical presence required for maintaining Residence Status**

3 Years



**Family Coverage**

Yes

**Key Benefit**

Eligible to apply for permanent residence after 7 years

**Benefits of Hong Kong Residence-by-Investment**

In September 2003, the Immigration Department of the Government of Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China introduced the Capital Investment Entrant Scheme.

Prior to the introduction of the scheme, individuals seeking residence in return for investment in the HKSAR had to rely on a subset of the employment visa, known as the Employment Visa Based upon Investment in Hong Kong (the business investment visa). Although its Capital Investment Entrant Scheme was suspended in 2015, the Hong Kong Special Administrative Region (HKSAR) offers several other residence programs.

### **Some of the many Benefits of Hong Kong include:**

- Economic and political stability, strategic location, and a major financial and trading center.
- Well-established legal system, based on the English common law and transparent regulations.
- Premier gateway for trade and investment into and out of mainland China
- Freest economy in the world.
- No restrictions on capital flows into and out of Hong Kong.
- Convertible and stable currency, linked to the US dollar.
- A global communications hub, with excellent communications infrastructure.
- World-class international airport and the world's busiest container port.
- Favorable taxation system for individuals and businesses.

### **Residence-by-investment options**

The Capital Investment Entrant Scheme was officially suspended on 15 January 2015. However, there are other alternatives for individuals who wish to apply for Hong Kong residence. These are

1. The Quality Migrant Admission Scheme, which aims to attract highly skilled or talented persons who will settle in Hong Kong in order to enhance its economy, except nationals of Afghanistan, Cuba, Laos, Korea (Democratic People's Republic of), Nepal, and Vietnam.
  2. The General Employment Policy, which sets out the entry requirements for persons who wish to enter or stay in the HKSAR for professional employment
- Investment as Entrepreneurs, which is for persons who wish to enter or stay in the HKSAR in exchange for establishing or joining in business as entrepreneurs under the General Employment Policy.

## The Quality Migrant Admission Scheme

- The Quality Migrant Admission Scheme (QMAS) seeks to attract highly skilled or talented individuals who will settle in Hong Kong. Applicants are required to fulfill a set of prerequisites before they can be awarded points in one of the two points-based tests below (qualified individuals from the Talent List are eligible for bonus points under the QMAS)
- The General Points Test — Has a passing mark of 80/225 and comprises 5 categories, namely age, academic or professional qualifications, work experience, language proficiency, and family background.
- The Achievement-Based Points Test — For applicants who have received an award of exceptional achievement (such as Olympic medals, Nobel Prizes, national or international awards) or applicants who can show that their work has been acknowledged by their peers or has contributed significantly to the development of their field (for example, a lifetime achievement award from their industry).

Applicants who have met one of the criteria under this test will be awarded 225 points; otherwise, no points will be awarded and the application will be rejected.

## The General Employment Policy

The General Employment Policy (GEP) sets out the entry requirement for persons who wish to enter or stay in the HKSAR for employment as professionals. Applicants who possess special skills, knowledge, or experience of value not readily available in Hong Kong may apply to work under the GEP if the following criteria are met

- The applicant has a good education background, normally a first degree in a relevant field of employment.
- There is a genuine job vacancy.
- The applicant has a confirmed offer of employment and is employed in a job relevant to the academic qualifications or work experience that cannot be taken up by the local workforce.
- The remuneration package including income, accommodation, medical, or other fringe benefits is broadly commensurate with the prevailing market level for professionals in Hong Kong.

## Investment as Entrepreneurs

- The Investment as Entrepreneurs category sets out the entry requirement for persons who wish to enter or stay in the HKSAR as entrepreneurs under the GEP, in other words, to establish or join a business in the HKSAR.

- The applicant should have a good education background, normally a first degree in a relevant field. The applicant will need to establish or join a start-up business and be in a position to make a substantial contribution to Hong Kong's economy, with consideration factors including, but not limited to: business plan, business turnover, financial resources, number of jobs created locally, and introduction of new technology or skills.
- Overseas Chinese nationals holding People's Republic of China passports who meet the criteria stipulated above as well as the normal immigration requirements may apply for the HKSAR Investment as Entrepreneurs visas if the applicant has permanent residence overseas or the applicant has been residing overseas for at least one year immediately before the submission of the application. ('Overseas' refers to places outside mainland China, the Hong Kong Special Administrative Region, and the Macao Special Administrative Region.)

### **Procedures and time frame**

In order to obtain any of the above visas, the applicant must submit all the relevant application forms and supporting documents. Upon the Immigration Department's receipt of all the required documents, it normally takes 4 to 8 months to process the visa or entry permit applications.

Approval of applications is entirely discretionary and is subject to changes in government policies. The director of immigration reserves absolute discretion to refuse any application, even if all criteria for eligibility are met. Successful applicants will normally be granted a limited extended stay of 24 months (only without other conditions of stay upon entry). Applicants may apply to extend their stay in the HKSAR before their limit of stay expires. Such applications will only be considered if the applicants continue to meet the eligibility criteria under entry for investment, the QMAS, or the General Employment Policy.

### **Tax in Hong Kong**

Taxation in Hong Kong is based on a territorial source principle. Hong Kong companies only pay tax on profits sourced in Hong Kong, and the rate of taxation currently is 17.5% on assessable profits. There are no withholding taxes on dividends or interest and no taxes on capital gains. However, withholding tax on royalties does apply, currently at 5.25%, and is only imposed on royalties paid to non-resident recipients not related to the payers. If they are related parties, then a tax rate of 16.5% is applicable.

Hong Kong companies are ideal vehicles for international trading or consulting activities that do not have links in Hong Kong. These businesses can therefore be conducted free of tax. The same is true for companies that hold real estate that is located outside Hong Kong. There is no capital gains tax, and dividends received or distributed by a Hong Kong company are also tax-free. Even the standard rate of profits tax applicable to Hong-Kong-sourced income is very competitive, at 16.5%.

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