



## **PRESS RELEASE**

**(HONG KONG, 23 July 2020)** The Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Bill 2019 was recently passed by the Legislative on 15 July 2020. The Ordinance seeks to amend the Inland Revenue Ordinance (Cap. 112) to reduce the profits tax rate by 50 per cent (i.e. 8.25 per cent) for all general reinsurance business of direct insurers, selected general insurance business of direct insurers and selected insurance brokerage business. The new Ordinance would promote the development of the marine and specialty risk insurance businesses of Hong Kong and enhance the development of high value-added maritime services. The new Ordinance would also assist the insurance industry to seize new opportunities, including those arising from the Belt and Road Initiative.

The Actuarial Society of Hong Kong is supportive to this change and believes that it is beneficial to Hong Kong insurance industry. Miss Trinity Pong, the Chairlady of ASHK General Insurance Committee, said, *“The reduction of tax can help insurers to reduce cost, and therefore have more resources to enhance service quality and achieve better risk management. Actuaries are essential element for the professional service of general insurance industry. The passage of the Bill will make Hong Kong one step closer to become the insurance/reinsurance hub in the region and we believe this also increases the demand of local general insurance actuaries,”* said Miss Pong. Meanwhile, the tax rate for Hong Kong reinsurance companies is already at 8.25%. Hence, this Bill will not affect reinsurance companies.

The detailed formulation and implementation are still under preparation of Insurance Authority and is target to be ready by the end of 2020 or early 2021.

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### **About the Actuarial Society of Hong Kong**

The Hong Kong actuarial profession body was formed in 1968 as the Actuarial Association of Hong Kong and, 26 years later, its successor, the Actuarial Society of Hong Kong (ASHK) was duly incorporated in January 1994. The ASHK is a full member of the International Actuarial Association (IAA), which has 73 full member organisations and 28 associate member organisations around the world. The ASHK mission is "Representing, developing and inspiring the actuarial profession in Hong Kong to serve the public interest". As of May 2020, the membership of the ASHK is over 1,318 with 1,025 fully qualified Fellows. It is one of the largest such actuarial professional bodies in Asia. The ASHK is governed by an elected Council with a President, an Immediate Past President, a Vice President and 10 Council Members. The ASHK sets Professional Standards and Actuarial Guidance Notes for the actuarial profession in Hong Kong.