



HONG KONG TAX

OCTOBER 2025

Letter from the Inland Revenue Department (IRD) regarding multinational enterprise (MNE) group code and Business Tax Portal registration in preparation for Pillar Two compliance

The Inland Revenue Department is issuing letters to MNE groups to identify in-scope MNE groups¹ with operations in Hong Kong and to call for action for administration of the Income Inclusion Rule (IIR) top-up tax and Hong Kong minimum top-up tax (HKMTT) for fiscal year beginning in 2025 (the 2025 fiscal year).

The IRD letter also provides an overview of the IIR top-up tax and HKMTT and outlines the relevant support offered by the IRD to MNE groups.

Actions required from taxpayer in response to the IRD letter

The said IRD letter is most likely issued to the filer of country-by-country notification (and return if applicable) as representative for its MNE group.

A recipient of the IRD letter is required to:

- Respond through a reply slip as annexed to the letter to inform the IRD whether it belongs to an in-scope MNE group for the 2025 fiscal year;
- Apply for an MNE group code and/or JV code(s) for the purposes of filing top-up tax notifications and top-up tax returns by furnishing the Form IR1485 as annexed to the letter if it is part of an in-scope MNE group, if applicable; and
- Identify the number of Hong Kong entities of the group that are required to electronically file their 2025/26 profits tax returns, and state the time and date of the email sent to the IRD's designated email address providing a list of such Hong Kong entities using a specified list format as annexed to the letter, again if applicable.

The taxpayer is expected to have self-assessed in respect of the above before it replies to the IRD. The time given for replying to the IRD is in general two months from the date of the letter unless an extension of time is allowed.

Next steps required of in-scope taxpayer to prepare for tax filing compliance

Registration for Business Tax Portal (BTP)²

In-scope Part 4AA entities³ are mandated to electronically file (i) their 2025/26 profits tax returns and (ii) their Pillar Two top-up tax notifications and returns for the 2025 fiscal year. Before a Part 4AA entity can perform such electronic filings, it has to register a BTP Business Account with the IRD. The BTP Business Account will enable

Highlights

- ▶ Actions required from taxpayer in response to the IRD letter
 - Complete reply slip
 - Apply for MNE code/JV code(s)
 - Submit list of Hong Kong entities
- ▶ Next steps required of in-scope taxpayer to prepare for tax filing compliance
 - Registration for Business Tax Portal
 - Appointment of service provider
- ▶ BDO observations

the entity directly accessing the new Pillar Two Portal which will be launched by the IRD by phases from January 2026 onwards and receiving electronic notices related to tax returns and assessments issued in the future.

Part 4AA entities without tax representatives or service providers must opt to receive electronic notices and documents related to tax return filing in the BTP Business Accounts in order to enjoy a further extension of one month for electronic filing of profits tax returns.

Appointment of service provider

Part 4AA entities can engage, through their BTP Business Account, service providers to submit top-up tax notifications and/or returns on their behalf.

BDO observations

While the IRD has exerted their best efforts in identifying all in-scope MNE groups for the 2025 fiscal year, there remains a possibility that some of the relevant groups may have been missed. Part 4AA entities are recommended to coordinate amongst the group entities to check if the said IRD letter has been received and required response actioned. In case the IRD letter has not been received, the group is recommended to contact the IRD proactively or seek assistance from their tax advisors. In any event, management of the group should be made aware of the Pillar Two filing obligations and coordinate to apply for the MNE group code/JV code(s).

¹ An in-scope MNE group mean an MNE group that is large enough to be caught by the Pillar Two GloBE rules. The scope, charging mechanism, calculation and key compliance dates of the GloBE rules (including the IIR top-up tax and HKMTT) are outlined in our newsletter issued in [June 2025](#).

² More information about the BTP is available on this IRD webpage: https://www.ird.gov.hk/eng/tax/bus_btp.htm.

³ A Part 4AA entity refers to a Hong Kong constituent entity, Hong Kong standalone JV, Hong Kong member of a JV group or a Part 4AA stateless constituent entity of an in-scope MNE Group.

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