



HONG KONG TAX

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Hong Kong unveils strategic action plan to strengthen its status as premier corporate treasury centre hub

The Hong Kong Special Administrative Region Government (the Government) has officially launched the Action Plan (Action Plan) for the Development of Corporate Treasury Centres (CTCs), aiming to cement the city's status as a premier hub for multinational enterprises (MNEs) to manage their global and regional finances, elevating Hong Kong as a major base for CTCs and an optimal platform for "bringing in and going global".

Overview

Speaking at the Corporate Treasury Centre (CTC) Forum on 9 June 2026, the Secretary for Financial Services and the Treasury, Mr Christopher Hui (Mr Hui), outlined the Government's blueprint designed to attract more MNEs to establish CTCs in Hong Kong and to enable existing corporations scale up their CTC operations by leveraging Hong Kong's comprehensive financial ecosystem.

The newly unveiled Action Plan revolves around four core pillars, which Mr Hui dubbed the "4T" framework, was formulated by the Financial Services and the Treasury Bureau in coordination with the Inland Revenue Department (IRD), the Hong Kong Monetary Authority, and Invest Hong Kong.

The 4T Action Plan framework

4Ts	Core strategic mechanisms
Tax revamp	Enhance the CTC tax regime by introducing a highly competitive tiered structure. This includes optimising the current tax concessions and introducing a "pre-approval" mechanism to provide companies with greater tax certainty and compliance flexibility.
Tax agreements	Proactively expand Hong Kong's Comprehensive Double Taxation Agreement (CDTA) network beyond its current 57 economies, with a strategic focus on "Belt and Road" economies.
Targeted promotion	Intensify inter-agency outreach and promotional efforts to attract enterprises, with strategic focus on Chinese Mainland and Asian enterprises, particularly those from the new economy sectors.
Talent & dialogue	Foster industry dialogue with CTCs to better align policies with market needs and step up market education and professional development to build a robust talent pool.

Highlights

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- ▶ The 4T Action Plan framework
- ▶ CTC tax regime enhancement
- ▶ Treaty network expansion
- ▶ Hong Kong targets "going global" Chinese Mainland enterprises

CTC tax regime enhancement

One of the most important elements of the Action Plan is the enhancement of Hong Kong's CTC tax regime.

Since 2016, qualifying CTCs could benefit from the concessionary profits tax rate of 8.25% and deduction for qualifying interest expenses. This has already driven meaningful growth in treasury structures established in Hong Kong.

The Government will introduce a more competitive tiered system according to the Action Plan:

- ▶ Tier 1 - Refine and broaden the existing CTC regime: expand the scope of interest deduction, allow deferral of interest expense deductions, and clarify key definitions to enhance certainty.
- ▶ Tier 2 - Introduce a pre-approval mechanism: grant approved CTCs and their associated companies more favourable tax benefits and greater administrative flexibility, with approvals issued by the IRD for renewable periods, hence offering certainty.

The Government will conduct a public consultation within this year, with a target of submitting legislative amendment proposals to the Legislative Council in the first half of 2027.

While details remain pending, the reference to broader incentives with greater tax certainty and flexibility no doubt shows the Government's determination to further strengthen Hong Kong's tax competitiveness versus comparable treasury hubs in the region such as Singapore.

Treaty network expansion

Hong Kong currently maintains CDTAs with 57 jurisdictions. The Government expressly stated that it will proactively expand the network and focusing particularly on Belt and Road economies.

An expanded treaty network can significantly enhance withholding tax efficiency, mitigate double taxation and thus facilitate cross-border treasury operations. This is especially relevant for regional financing platforms and outbound Chinese investment structures through Hong Kong.

Hong Kong targets "going global" Chinese Mainland enterprises

The Government specifically highlighted Chinese Mainland enterprises. To these enterprises, Hong Kong remains a preferred jurisdiction for outbound investment management, foreign currency funding, international cash pooling and global treasury coordination. A strong recognition throughout the speech indicates a clear policy direction: positioning Hong Kong as a strategic home port for Chinese Mainland enterprises going global and the gateway for overseas enterprises entering into Chinese Mainland.

Remarks

The Government's latest announcement sends a clear policy signal that Hong Kong is set to leverage its world-class financial system, its leading position as a premier offshore Renminbi hub and its robust capital market infrastructure to become a premier global treasury hub. The Action Plan suggests a more proactive and competitive approach, with enhancing tax certainty, treaty network and ecosystem integration at its core.

For businesses with regional or cross-border treasury needs and "going global" Chinese Mainland enterprises, now is an opportune time to capitalise the opportunities and review their treasury operating models. They should stay tuned for the details of the enhanced CTC regime to come and assess the potential benefits of the enhanced tax concession and treaty network.

Large MNE groups should also assess the interaction of the enhanced CTC regime and OECD Pillar Two (ie global minimum tax) to ensure overall tax efficiency can be achieved.

BDO's support and assistance

BDO Limited

25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Tel: +852 2218 8288
Fax: +852 2815 2239
info@bdo.com.hk

Carol Lam

Director and Head of Tax
Tel: +852 2218 8296
carollam@bdo.com.hk

Celestine Yeung

Principal
Tel: +852 2218 2773
celestineyeung@bdo.com.hk

Abigail Li

Director
Tel: +852 2218 3372
abigailli@bdo.com.hk

Jazz Law

Principal
Tel: +852 2218 8588
jazzlaw@bdo.com.hk

Silent Li

Director
Tel: +852 2218 8983
silentli@bdo.com.hk

Shirley Yu

Principal, China Tax
Tel: +852 2218 4904
shirleyyu@bdo.com.hk

Christina Mai

Director, Transfer Pricing
Tel: +852 2218 8728
christinamai@bdo.com.hk

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