SWITZERLAND GLOBAL ENTERPRISE

# HONG KONG
## Legal Provisions

Compiled by:

**Consulate General of Switzerland in Hong Kong**

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### 1. GENERAL REMARKS

The British administration of Hong Kong ended at midnight on 30 June 1997, after 156 years of British rule and Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was established on 1 July 1997 under the principles of "One Country, Two Systems" and "Hong Kong administering Hong Kong". These principles are enshrined in the Basic Law, the constitutional document of the HKSAR and it came into effect on the same day. The Basic Law sets out the basic policies of the PRC regarding Hong Kong and the way in which the HKSAR is to be administered for 50 years beyond 1997. Under the Basic Law, the HKSAR enjoys a high degree of autonomy except in defense and foreign affairs and guarantees that the HKSAR continues to practice common law. The city is headed by the Chief Executive and has an independent judiciary. The HKSAR exercises executive, legislative and independent judicial power including that of final adjudication. Hong Kong remains a fee port, a separate customs territory and may be, on its own, using "Hong Kong, China", maintain, develop relations, conclude and implement agreements with foreign states, regions and international organizations in appropriate fields. Under the principle of "One country, Two Systems", the capitalist system and way of life remained unchanged until June 2020 when the National Security Law was imposed after large-scale protests. The law criminalizes acts that were previously considered protected speech under Hong Kong law. However, Hong Kong maintains a free and open market economy with a free flow of capital, goods, information and services and freely convertible currency. The socialist system and policies are not practiced in Hong Kong.

### 2. CUSTOMS LAW AND DUTIES

Hong Kong is a free port and imposes no general import taxes, no value-added tax (VAT), no goods and services tax (GST) or no tariffs on most goods. Import duties apply only to a limited range of products, namely strong liquors, tobacco, hydrocarbon oils and methyl alcohol. Spirits with an alcohol content above 30% are taxed on an ad-valorem, value-per-litre basis, while wine and beverages with lower alcohol content are duty-free. All tobacco products are subject to high specific duties, calculated either per stick or per kilogram depending on the product type. Hydrocarbon oils and methyl alcohol

incur fixed duties per litre or hectolitre, reflecting environmental and health considerations. Separately, certain goods such as counterfeit products, endangered species, firearms and selected food items are either regulated or banned from import.

For details, please consult the website of the Customs and Excise Department: www.customs.gov.hk

Click here to enter country specific information regarding applicable free-trade agreements. For customs duties, please refer to S-GE's modular database: http://www.s-ge.com/en/customs-database-worldwide-customs-tariffs.

## 3. IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS

Under the Import and Export (Registration) Regulations (Chapter 60), every person who imports, exports or re-exports any articles other than an "exempted article", is required to lodge an accurate and complete import or export declaration with the Customs and Excise Department **within 14 days after the importation or exportation** of the article. Failing to lodge the required declaration on time, or submitting one that is materially inaccurate, may lead to prosecution and financial penalties.

Hong Kong remains a **free port** with **no general tariffs or import taxes** on most goods, and **minimal documentation requirements** for trade. Most products do **not** require import or export licenses. Licenses or notifications are required only for restricted or controlled items to fulfil international obligations, protect public health and safety, safeguard the environment, uphold intellectual property rights, or regulate strategic items.

The government is actively developing a **Trade Single Window (TSW)**, a one-stop **electronic platform** for lodging trade documents, import/export declarations, cargo information, certificates of origin and permits. Phase 1 and Phase 2 of the TSW are already operational, and **Phase 3, covering import/export declarations and cargo manifests, is being rolled out in stages from 2026 onwards** with new legal backing under the Import and Export (Amendment) Ordinance 2025.

Please refer to the website of the Customs and Excise Department: http://www.customs.gov.hk and the Trade and Industry Department www.tid.gov.hk and https://www4.tradesinglewindow.hk/portal/en/index.html for more details.

## 4. TRADE AGREEMENTS AND INTERNATIONAL COMMITMENTS

Hong Kong is a **founding member of the World Trade Organization (WTO)** and maintains an open-trade policy under a rules-based multilateral system.

A free trade agreement is in force with the Members states of the European Free Trade Association (**EFTA**), including Switzerland, since 1 October 2012 and covers goods, services, intellectual property and other trade-related matters. Switzerland also enjoys a double taxation agreement with Hong Kong since January 2013. In October 2017, Switzerland has signed an agreement with Hong Kong for conducting automatic exchange of financial account information in tax matters (**AEOI**).

In 2003, Hong Kong has signed a Closer Economic Partnership Arrangement (CEPA) with mainland China that ensures free trade between to the two partners. Companies registered in Hong Kong are

enjoying the special treatment under this agreement and gain 'first mover advantage' into the mainland markets.

Hong Kong has formally **submitted an application to join** RCEP the world's largest free trade agreement covering major Asia-Pacific economies. As of late 2025, accession is **pending** and not yet completed. Negotiations and preparatory engagement continue, with support from several RCEP member economies. RCEP, the world largest free-trade deal, covers a third of the world's population (2.27 billion), nearly as much of its GDP (USD26 trillion) and USD5.2 trillion in total export value.

## 5. PRODUCT REGISTRATION AND TECHNICAL STANDARDS

The Intellectual Property Department (IPD) is responsible for operating Trademarks, Patents and Registered Designs Registries in Hong Kong. For registration procedure of trademarks, patents and designs, please visit the web page of the IPD at www.ipd.gov.hk.

In line with the World Trade Organization (WTO) Agreement on Technical Barriers to Trade, Hong Kong's policy is to use international standards as far as possible and align domestic standards with international standards where appropriate.

Hong Kong does not have a central standards body developing and issuing domestic standards. Their regulatory agencies use standards as and when necessary and avoid the position where the setting of standards dictates market development or becomes a means of protecting certain sectors of the industry. More information on standards used in Hong Kong is available on Standards, Regulations and Conformity Assessment Database at https://www.itc.gov.hk/en/index.html.

As far as labelling regulations about food and drugs are concerned, please read labelling guidelines on food allergens, food additives and date format at the website of the Food and Environmental Hygiene Department (www.fehd.gov.hk/).

## 6. CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS

The Hong Kong dollar (HK$) has been pegged to the US dollar at HK$7.80 to US$1 since October 1983. There are no foreign exchange controls and no restrictions on the trading of gold, securities, future or other financial instruments. Hong Kong retains its **own currency, monetary system, and financial regulatory framework**. The Hong Kong Monetary Authority continues to operate independently, ensuring monetary and financial stability.

## 7. TAXES

Hong Kong's tax regime is simple, predictable and internationally competitive.

Hong Kong accepted the OECD's BEPS 2.0 two-pillar international tax reform framework in July 2021 and, to meet its international obligations and protect its taxing rights, implemented a global minimum tax and a related Hong Kong minimum top-up tax (HKMTT). Under Pillar Two, a 15% global minimum tax will apply to multinational enterprise groups with annual consolidated revenue of at least EUR750 million in at least two of the preceding four fiscal years.

The profits tax rate for corporations **is 8.25% on the first HKD 2 million of assessable profits and 16.5% on the remainder**; for unincorporated businesses, the corresponding rates are **8.25%** and **15%.** The rates apply equally to local and foreign companies.

Hong Kong levies **no sales tax or VAT**, no capital gains tax, **no inheritance tax, and no withholding tax on dividends and interest**. Social security contributions are not collected through the tax system.

**Salaries tax** (personal income tax) is imposed only on income derived from employment in Hong Kong and is charged at a **maximum effective rate of 15%**. Taxpayers are entitled to a basic allowance and may claim additional allowances, such as child allowance, where applicable. Salaries tax is assessed annually.

**Property tax** applies to owners of land or buildings in Hong Kong. The tax rate is **15% of the rental income**, after deduction of rates paid by owners and any irrecoverable rent. A statutory **20% allowance** on the remaining rental income is automatically granted each year for repairs and maintenance.

For more information on taxes in Hong Kong, please see the website of the Inland Revenue Department www.ird.gov.hk/

Hong Kong and Switzerland also signed a comprehensive agreement on the avoidance of double taxation (CDTA) in December 2010, which provides greater tax certainty and reduces the risk of double taxation for individuals and companies operating between the two jurisdictions.

## 8. SETTING UP COMPANIES

The Business Registration Ordinance requires every person who carries on a business in Hong Kong to apply for business registration within 1 month from the date of commencement of the business, and to display a valid Business Registration Certificate at the place of business.

The type of structure that is most appropriate will depend on tax issues, strategic plans, financial aspects and willingness to take on ongoing obligations. Owing to the complex and long-term impact of this decision, it is advisable to seek professional advice.

The most common forms of business vehicles foreign investors choose are:

- Private limited companies
- Branch offices of overseas companies
- Representative offices
- Partnerships/sole proprietorships
- Joint ventures

For more information, please see the website of the InvestHK (www.investhk.gov.hk).

## 9. COMMERCIAL LAW

The laws previously in force in Hong Kong (that is, the common law, rules of equity, ordinances, subordinate legislation and customary law) are maintained, except for any that contravene the Basic Law, and subject to subsequent amendment by the HKSAR Legislature.

**The legal system of Hong Kong is separate from that of Mainland China and English common law prevails**. Cases are heard in English and/or Chinese.

There are various ordinances related to business and commercial law such as Companies Ordinance, Sale of Goods Ordinance, Trade Description Ordinance etc. In addition, some ordinances are made for specific industries such as banking, insurance, broadcasting etc.

For information on specific topics of the Hong Kong Laws, please consult the website of the Department of Justice (www.doj.gov.hk/).

## 10. PROMOTION OF INVESTMENTS

The Commerce and Economic Development Bureau **(CEDB)** of the HKSAR Government (www.cedb.gov.hk) is responsible for policy formulation and the coordination of efforts to promote foreign direct investment. It is supported by **Invest Hong Kong** (www.investhk.gov.hk) and a global network of Hong Kong Economic and Trade Offices **(ETOs)**.

These ETOs represent Hong Kong's economic and trade interests overseas and support investment promotion, business facilitation and policy dialogue. In Europe, the **Hong Kong Economic and Trade Office in Berlin** (www.hketoberlin.gov.hk) is responsible for promoting Hong Kong's economic and trade interests in Switzerland.

In addition, the **Hong Kong Economic and Trade Office in Geneva serves as the** official representation of the HKSAR to the WTO and the OECD**,** underscoring Hong Kong's active engagement in multilateral trade and economic governance.

## 11. ENTRY CONDITIONS, WORKS PERMITS

A valid passport is required for all visitors to Hong Kong. Swiss national does not need a visa if the stay in Hong Kong is not exceeding 90 days. However, if a Swiss national wishes to continue his or her trip to other destinations such as Mainland China after his or her stay in Hong Kong, he or she must check about visa requirements with competent visa authorities in question.

In case of visa requirements in China, please consult the Embassy of China in Bern (https://ch.china-embassy.gov.cn/ger/) or the Visa Office of the Commissioner's Office of China's Foreign Ministry in Hong Kong (www.fmcoprc.gov.hk).

Generally, foreign nationals including Swiss nationals must obtain a visa before coming to Hong Kong for the purpose of education, taking up employment, training, investment or residence.
For detailed information on entry conditions, employment visa, residence permits, Capital Investment Entrant Scheme and Quality Migrant Admission Scheme, please contact the Immigration Department, HKSAR Government.

- **Immigration Department** Immigration Headquarters, 61 Po Yap Road, Tseung Kwan O, New Territories. Website: www.immd.gov.hk Tel.: +852 2824 6111 Email: enquiry@immd.gov.hk

The above information intends to give readers a general overview regarding legal provisions. Only the mentioned authorities of the HKSAR Government are competent for binding information. Interested parties are therefore kindly advised to consult the mentioned authorities (website) or seek legal advice from competent professionals before taking any decision.

## 12. OVERVIEW OF PUBLIC PROCUREMENT SYSTEM

- Government Logistics Department: https://pcms2.gld.gov.hk/iprod/#/sta00305
- Environmental Protection Department: https://www.epd.gov.hk/epd/english/business_job/business_opp/tender.html
- Education Bureau:

https://www.edb.gov.hk/en/public-admin/tender-notices/about-tender-notices/index.html

- Food and Environmental Hygiene Department:
  https://www.fehd.gov.hk/english/tenders/index.html
- Government Flying Service:
  https://www.gfs.gov.hk/eng/tender.htm
- Transport Department:
  https://www.td.gov.hk/en/tender_notices/tender_notices/index.html
- Fire Services Department:
  https://www.hkfsd.gov.hk/eng/fsd_info/tender/tender_notice/
- Leisure and Cultural Services Department:
  https://www.lcsd.gov.hk/clpss/en/webApp/Tender.do
- Registration and Electoral Office:
  https://www.reo.gov.hk/en/about/tender.htm
- Others:
  https://www1.ets.gov.hk/eTp_ext/views/index.zul

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Opening hours:

Monday-Friday 9:00-12:00

(afternoons only by appointment)

closed on Saturdays and Sundays

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