

Hong Kong Tax Alert

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2024/25 profits tax filing season will soon commence

On 19 March 2025, the Inland Revenue Department (IRD) issued the circular letter to tax representatives¹ on the bulk issue of tax returns to taxpayers for the year of assessment 2024/25.

This alert draws your attention to the filing due dates for the 2024/25 profits tax returns and the requirement to notify the IRD of chargeability to tax where applicable. Note that, in addition to items relating to tax measures introduced in recent years, a new item in relation to the deductions claimed for leased premises reinstatement costs has been added to the 2024/25 profits tax returns.

Should you have any questions regarding the filing of your tax returns, including your eligibility for any claims to be made under the new tax measures, please contact your tax executives.

¹ The circular letter to tax representatives can be retrieved from the link below:
<https://www.ird.gov.hk/eng/pdf/bel25e.pdf>

2024/25 tax filing deadlines

The tax filing season for the fiscal year ended 31 March 2025 (i.e., year of assessment 2024/25) will commence with the IRD's bulk issuance of the relevant profits tax returns (i.e., Form BIR 51 for corporations or Form BIR 52 for entities other than corporations) on 1 April 2025.

Returns are normally due for filing within one month of their date of issue. However, the IRD has for many years operated a block extension scheme whereby the filing deadline can be extended in instances where a taxpayer is professionally represented. Under the 2024/25 block extension scheme, the filing dates for the bulk returns issued on 1 April 2025 can be extended as follows:

For taxpayers with accounting dates falling between	Extended due date
1 April 2024 – 30 November 2024 (Accounting date code "N")	No extension – due on 2 May 2025 (Friday)
1 December 2024 – 31 December 2024 (Accounting date code "D")	15 August 2025 (Friday)
1 January 2025 – 31 March 2025 – with taxable profits for the year (Accounting date code "M")	17 November 2025 (Monday)
1 January 2025 – 31 March 2025 – with tax losses for the year (Accounting date code "M")	2 February 2026 (Monday)

Further extension of one month for using voluntary electronic filing for 2024/25

As in the previous year, to promote voluntary electronic filing, the IRD will, on receiving an application that is made at least 7 working days before the original due date, grant a further extension of one month if professionally represented taxpayers are to file the 2024/25 tax returns including the financial statements and tax computations, through the internet. The additional extension of one month will be counted from the date immediately after the extended due date indicated above or the normal due date of the return, whichever is the later. It should however be noted that the extended due date of 2 February 2026 indicated above for filing M-code cases with tax losses would not be further extended, even if electronic filing is adopted for such cases.

Notification of chargeability where no tax return has been issued

Taxpayers who are not issued with a tax return but nonetheless have profits chargeable to tax for any year of assessment (before the set-off of losses brought forward) are required to notify the IRD of their chargeability. The notification is required to be in writing, addressed to the Commissioner of Inland Revenue (CIR) and submitted within four months after the end of the basis period for the year of assessment concerned.

The basis period of a taxpayer for a year of assessment depends on its accounting year-end date. As a result, the time limit for taxpayers to inform the IRD of chargeability will vary. For example, Company A (with an accounting year ended on 31 December 2024) and Company B (with an accounting year ended on 31 March 2025) will be required to inform the IRD of their chargeability for the year of assessment 2024/25 on or before 30 April 2025 and 31 July 2025 respectively (i.e., within four months of their respective year-end dates).

Failure to inform the IRD of chargeability within the stipulated time frame without reasonable excuse will render a taxpayer liable to a fixed fine of up to HK\$10,000 and potentially a penalty of up to three times the tax involved for each offence.

However, there is no need for a taxpayer to inform the IRD of chargeability if the taxpayer has been filing tax returns annually and could reasonably expect that, in the normal course of events, the IRD would issue a return in the current year. Conversely, if a chargeable taxpayer has previously been advised by the IRD that a profits tax return will no longer be issued on an annual basis, or the taxpayer has recently commenced business, the taxpayer shall notify its chargeability in writing within the stipulated period.



Supplementary forms and other forms to the tax returns must be filed electronically

Regardless of whether a tax return is filed in paper form or electronically, the supplementary forms (i.e., S1 to S22) that need to accompany the return are required to be filed electronically.

If a taxpayer needs to file any supplementary forms, they must download the relevant form from the IRD website (www.ird.gov.hk/e_pfr) and fill in the relevant form electronically. After completion, the taxpayer must export the filled form to XML file and upload the XML file via the eTAX services (the eTAX) provided at the GovHK website (<https://www.gov.hk/en/business/taxes/profittax/>) for submission.

Where a tax return is filed in paper form, the taxpayer is required to print a paper Control List (IR 1477) containing details of the XML files uploaded via the eTAX and the QR code generated by the eTAX for submission together with the return in paper form. The paper Control List must be signed by the same person signing the tax return.

Items 9.1 to 9.22 of BIR51 and Items 9.1 to 9.10 of BIR52 indicate the relevant supplementary forms (S1 to S22 for BIR51 or S1 to S5, S15 and S19 to S22 for BIR52) to be uploaded via the eTAX.

New tax measures introduced for the year of assessment 2024/25

Two new tax measures: (i) tax deduction for leased premises reinstatement costs incurred by a lessee and (ii) new methods for calculating industrial or commercial building allowances for used buildings or structures acquired during the basis period for the year because of the removal of the time limit for claiming the relevant allowances have been introduced. Please refer to the tax alert dated 22 October 2024² for the detailed provisions of these two new tax measures.

Any amount of deduction claimed for leased premises reinstatement costs is required to be stated in Item 10.21 of BIR51 and Item 10.20 of BIR52 where appropriate.

Clients who have any questions regarding the filing of their tax returns including their eligibility for any claims to be made under the new tax measures and the supplementary forms that need to accompany the tax returns should contact their tax executives.

² The tax alert (2024 Issue No. 13) can be retrieved from the link below:
https://www.ey.com/en_cn/technical/hong-kong-tax-alerts/bill-introduced-to-grant-tax-deduction-for-lease-reinstatement-costs-and-tax-depreciation-allowances-for-used-buildings-acquired-after-their-usage-period-expired

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