

The 2023-24 Budget

Leaping Forward Steadily
Together We Bolster Prosperity
under Our New Vision

The Financial Secretary, Mr Paul Chan, unveiled his 2023-24 Budget on February 22. The blueprint outlines a series of measures to bring the economy towards high-quality development through innovation and technology, the engagement of green and low-carbon industries, while striving to build a caring and inclusive city. Please find some of the highlights below. For full version, please visit <https://www.budget.gov.hk>

Digital Economy

- Conduct a feasibility study on the development of an Artificial Intelligence Supercomputing Centre
- **HK\$500** million to launch a Digital Transformation Support Pilot Programme, to assist SMEs in applying ready-to-use basic digital solutions
- **HK\$200** million to enhance the operation of the “iAM Smart” platform to improve user experience
- Provide tax deduction for the spectrum utilisation fees paid by telecommunications network operators which successfully bid for radio spectrum

Web3

- **HK\$50** million to expedite development of the Web3 ecosystem
- Set up a task force to advise on the sustainable development of the virtual asset industry



International GreenTech and GreenFi Centre

- Set up a Green Technology and Finance Development Committee to formulate an action agenda covering green technology, green finance, green standard certification, etc.
- Organise an International GreenTech Week

Attracting Enterprises and Talents

- Introduce a mechanism to provide facilitation for companies domiciled overseas for re-domiciliation to Hong Kong
- Introduce a new Capital Investment Entrant Scheme: applicants may reside and pursue development in HK after making investment at a certain amount in the local asset market, excluding property



Northern Metropolis

- Make preparations for establishing a Northern Metropolis Co-ordination Office, and commence consultation on the development proposals and land use planning of San Tin Technopole

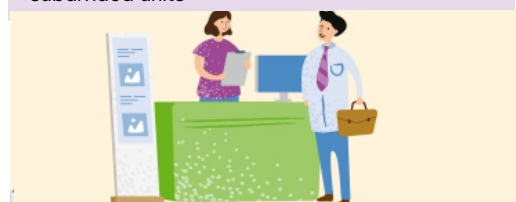
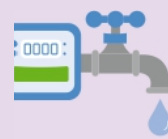
Caring and Inclusion

- Women's development: set aside **HK\$100 million** to strengthen support for women's development



- Enhance support for pre-school children with special needs: allocate an additional annual recurrent expenditure of about **HK\$170 million** to regularise Tier 1 Support Services

- Regularise certain schemes to support the elderly and carers, involving a recurrent expenditure of more than **HK\$1.3 billion**
- Encourage employment of elderly employees: increase the tax deduction for the Mandatory Provident Fund voluntary contributions made by employers for their employees aged 65 or above, from **100%** to **200%**
- Residential care homes for the elderly and persons with disabilities: provide incentives to encourage the market to provide more quality private residential care homes
- Waive water fee deposit and charge for providing separate water meter installed in eligible subdivided units



Innovation and Technology

- **HK\$6** billion for universities and research institutes to set up thematic research centres related to life and health technology
- **HK\$3** billion to enhance basic research in frontier technology fields such as artificial intelligence and quantum technology
- Establish a Microelectronics Research and Development Institute to enhance collaboration among universities, R&D centres and the industry, expediting “1 to N” transformation
- Over **HK\$260** million reserved for Cyberport to nurture smart living start-ups
- Hong Kong Science and Technology Parks Corporation to inject **HK\$400** million into its Corporate Venture Fund and inject an additional **HK\$110** million to launch the Co-acceleration Programme
- Conduct a feasibility study on setting up the second Advanced Manufacturing Centre



Finance

- Issue no less than **HK\$50** billion of Silver Bond and **HK\$15** billion of retail green bonds in the next financial year
- Earmark a certain proportion of the future issuances of government green bonds and infrastructure bonds for priority investment by Mandatory Provident Funds
- Provide **HK\$100** million to InvestHK to attract more family offices to Hong Kong
- Explore use of Hong Kong's Faster Payment System and Thailand's PromptPay by visitors from the two places for local payment
- Review the development potential and prospects of tokenised bond issuance
- Extend the Pilot Insurance-linked Securities Grant Scheme for **2** years
- Explore with the Mainland on expansion of mutual market access and enhancement arrangements
- Introduce a listing regime for advanced technology companies in the first quarter of 2023
- Put up specific reform recommendations on GEM, the listing platform for small and mid-sized issuers, for stakeholder consultation

Intellectual Property Trading

- Introduce a “patent box” tax incentive to encourage the I&T sector to create more patented inventions
- Provide additional **HK\$10** million to the Intellectual Property Department to employ and nurture patent examiners



Legal and Dispute Resolution Services

- Seek to implement the use of a common online mediation platform in the Greater Bay Area (GBA)

International Cultural Exchange

- Allocate more than **HK\$150** million to support Hong Kong artists in taking part in performances and productions in the GBA, and to organise the GBA Culture and Arts Festival in 2024
- Inject **HK\$500** million into the CreateSmart Initiative to support the creative industries