

Taxation – Hong Kong (TX-HKG)

Syllabus and study guide.

June and December 2025

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session

Contents

1. Introduction to the syllabus	3
2. Main capabilities	4
3. Intellectual levels	5
4. The syllabus	6
5. Detailed study guide	7
6. Summary of changes to Taxation – Hong Kong (TX-HKG)	13
7. Reading List	13
8. Approach to examining the syllabus	14
9. Relational diagram linking Taxation – Hong Kong (TX-HKG) with other exams	14
10. Guide to ACCA examination structure and delivery mode	15
11. The structure of ACCA qualification	17
12. Guide to ACCA examination assessment	17
13. Learning hours and education recognition	18

1. Introduction to the syllabus

The aim of the syllabus is to develop knowledge and skills relating to the tax system as applicable to individuals and companies.

The syllabus for Taxation – Hong Kong (TX-HKG) introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation, as they affect the activities of individuals and businesses.

Candidates are introduced to the rationale behind - and the functions of - the tax system. The syllabus then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as the salaries tax liabilities of individuals; the profits tax liabilities of incorporated and unincorporated businesses; the property tax liabilities of property income earners and the tax liabilities under personal assessment.

Having covered the core areas of the basic taxes, the candidate should be able to compute tax liabilities, explain the basis of their calculations, apply tax planning techniques for individuals and companies and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

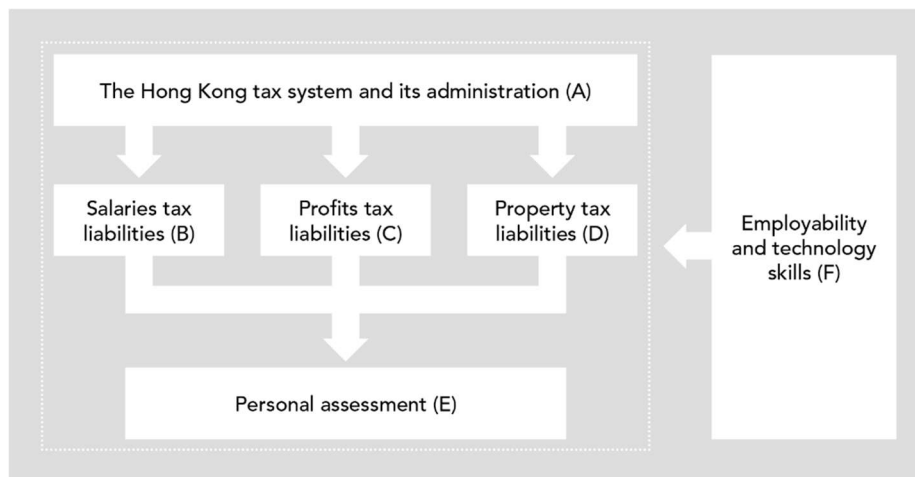
Section F of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the examination. This includes being able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

2. Main capabilities

On successful completion of this exam, candidates should be able to:

- A Explain the operation, scope and functions of the Hong Kong tax system, and the rights and obligations of taxpayers and/or their agents/employers and the implications of non-compliance and the rights and powers of the taxing authorities in the context of tax assessment, tax collection and tax recovery.
- B Explain and compute the salaries tax liabilities of individuals, including employees, office holders and pension-earners.
- C Explain and compute the profits tax liabilities of incorporated and unincorporated businesses, either resident or non-resident.
- D Explain and compute the property tax liabilities of property income earners.
- E Explain and compute the tax liabilities under personal assessment.
- F Demonstrate employability and technology skills

Relational diagram of the main capabilities



This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

3. Intellectual levels

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1:	Knowledge and comprehension
Level 2:	Application and analysis
Level 3:	Synthesis and evaluation

Very broadly, these intellectual levels relate to the three cognitive levels at which the Applied Knowledge, the Applied Skills and the Strategic Professional exams are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

4. The syllabus

A The Hong Kong tax system and its administration

1. The overall function and purpose of taxation in a modern economy
2. Tax law and practice: framework and ethics
3. Duties and liabilities of taxpayers and/or their agents/employers
4. Powers of the tax authorities to issue tax assessments, collect taxes and/or recover taxes
5. Rights of taxpayers of objection, correction of errors, appeal and holdover
6. Offences, penalties and other consequences of non-compliance

B Salaries tax liabilities

1. The scope of the salaries tax charge
2. Basic understanding of the source principle
3. Income from employment, office and pension
4. The comprehensive computation of net chargeable income and salaries tax liabilities
5. The use of exemptions and reliefs in deferring and minimising salaries tax liabilities

C Profits tax liabilities

1. The scope of the profits tax charge
2. Basic understanding of the source principle
3. Profits and deemed receipts chargeable to profits tax

4. The comprehensive computation of assessable profits and profits tax liabilities
5. Basis period for profits tax assessments
6. The use of exemptions and reliefs in deferring and minimising profits tax liabilities

D Property tax liabilities

1. The scope of the property tax charge
2. Income chargeable to property tax
3. The comprehensive computation of net assessable value and property tax liabilities
4. The use of exemptions and reliefs in deferring and minimising property tax liabilities

E Personal assessment

1. The election for personal assessment
2. The comprehensive computation of total income under personal assessment and tax liabilities

F Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information
2. Work on relevant response options, using available functions and technology, as would be required in the workplace
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools
4. Present data and information effectively using the appropriate tools

5. Detailed study guide

A The Hong Kong Tax system and its administration

1. The overall function and purpose of taxation in a modern economy

- a) Describe the purpose (economic, social etc) of taxation in a modern economy.^[2]
- b) Describe the characteristics of the Hong Kong tax system.^[2]
- c) Identify the different types of tax.^[1]
- d) Explain the difference between direct and indirect taxation.^[2]

2. Tax law and practice: framework and ethics

- a) Describe the overall structure of the Hong Kong tax system.^[1]
- b) State the different sources of tax law and practice.^[1]
- c) Appreciate the interaction of the Hong Kong tax system with that of other tax jurisdictions.^[2]
- d) Explain the difference between tax avoidance and tax evasion.^[1]
- e) Explain the need for an ethical and professional approach in tax practice.^[2]

Excluded topics

- *General anti-avoidance legislation under s.61 and s.61A.*
- *All specific anti-avoidance legislation.*
- *Rules and practice on service companies including DIPN 24 & 25.*

3. Duties and liabilities of taxpayers and/or their agents/employers

- a) Explain the compliance obligations of a taxpayer and/or his agent.^[1]
- b) Explain the compliance obligations of an employer.^[1]
- c) Explain the taxpayer's obligations in respect of tax payment.^[1]

4. Powers of the tax authorities to issue tax assessments, collect taxes and/or recover taxes

- a) Explain the circumstances under which assessments, additional assessments, and provisional assessments are issued, and their respective characteristics.^[2]
- b) Explain the powers of the taxing authorities for tax collection and recovery.^[1]
- c) Explain the powers of the taxing authorities for the requisition of information for assessment purposes.^[1]

Excluded topics

- *Tax investigations and audits.*

5. Rights of taxpayers of objection, correction of errors, appeal and holdover

- a) Explain the taxpayer's rights to objections and appeal, and the required conditions.^[2]
- b) Explain the taxpayer's rights to the holdover and refund of tax, and the required conditions.^[2]
- c) Explain the taxpayer's rights for reopening assessments, correcting errors, and the required conditions.^[2]

6. Offences, penalties and other consequences of non-compliance

- a) Explain the rights of the taxing authorities to take various recovery actions for default in tax payments.^[1]
- b) Describe the statutory penalties available in relation to different types of non-compliance offences.^[1]
- c) Explain the term ‘reasonable excuse’.^[2]

B Salaries tax liabilities

1. The scope of the salaries tax charge

- a) Explain the basic charge and extended charge to salaries tax.^[2]
- b) Define the terms ‘office’, ‘employment’ and ‘pension’.^[2]
- c) Recognise the factors that determine whether an engagement is treated as employment or self-employment and the implications thereof.^[2]
- d) Explain the circumstances under which a resident or non-resident individual is chargeable to Hong Kong salaries tax.^[2]
- e) Explain the 60-day rule and the meaning of ‘visit’ and apply the relief under s.8(1A)(b).^[2]
- f) Explain and apply the relief under s.8(2)(j).^[2]
- g) Understand and explain assessment on a time basis.^[2]
- h) Explain and apply the unilateral double taxation relief under s.8(1A)(c).^[2]

Excluded topics

- *Double taxation relief except unilateral reliefs.*
- *Rules and practice on service companies including DIPN 25.*
- *Income from trusts and settlements.*

2. Basic understanding of the source principle

- a) Explain the meaning of ‘income arising in or derived from Hong Kong’.^[1]
- b) Explain and apply the basic principles for determining the source of income from employment, office and pension.^[2]

3. Income from employment, office and pension

- a) Understand and explain the general principles of assessing income/receipts and benefits.^[2]
- b) Understand and explain the specific taxable and non-taxable income/receipts and benefits.^[2]
- c) Understand and explain the tax treatments for lump sum income/receipts and losses.^[2]
- d) Understand and explain the general principles for allowing/granting deductions, reliefs and exemptions.^[2]
- e) Understand and explain the specific deductible and non-deductible items.^[2]
- f) Explain the tax treatment of depreciation allowances and balancing adjustments.^[2]
- g) Explain the tax treatment of losses.^[2]

4. The comprehensive computation of net chargeable income and salaries tax liabilities

- a) Compute the assessable income.^[2]
- b) Calculate the depreciation allowances and balancing adjustments.^[2]
- c) Compute the amount of net assessable income.^[2]

- d) Understand the treatment of concessionary deductions.^[2]
- e) Understand the treatment of basic and other allowances (referred as Part 5 allowances).^[2]
- f) Compute the amount of net chargeable income.^[2]
- g) Compute the salaries tax payable, including provisional salaries tax.^[2]
- h) Compute the salaries tax payable for a married person and his/her spouse, under separate taxation and joint assessment.^[2]

5. The use of exemptions and reliefs in deferring and minimising salaries tax liabilities

- a) Understand and explain the available statutory exemptions and reliefs or deductions.^[2]
- b) Understand and explain the different tax treatments available to certain remuneration items.^[2]
- c) Comment on the re-structuring of different elements of a remuneration package in a tax efficient way.^[2]

C Profits tax liabilities

1. The scope of the profits tax charge

- a) Define the terms ‘year of assessment’, ‘basis period’ and ‘financial year’.^[1]
- b) Explain the basic charge to profits tax under the ‘two-limb’ concept.^[2]
- c) Define the terms ‘trade’, ‘profession’ and ‘business’.^[1]
- d) Describe and apply the badges of trade.^[2]

- e) Distinguish between ‘carrying on business in Hong Kong’ and ‘carrying on business with Hong Kong’.^[1]
- f) Identify and determine if a business is carried on in Hong Kong through a ‘permanent establishment’.^[1]
- g) Define ‘partnership’, ‘club’ and ‘trade association’ for tax purposes.^[1]
- h) Explain the special tax rules applicable to partnerships, clubs and trade associations.^[1]

Excluded topics

- *Companies in receivership or liquidation.*
- *Reorganisations, mergers and acquisitions.*
- *Rules and practice on service companies including DIPN 24.*

2. Basic understanding of the source principle

- a) Explain the meaning of ‘profits arising in or derived from Hong Kong’.^[1]
- b) Explain and apply the basic principles for determining the source of profits.^[2]

Excluded topics

- *Double tax relief except unilateral reliefs.*

3. Profits and deemed receipts chargeable to profits tax

- a) Understand and explain the general principles for taxing receipts and income.^[2]
- b) Understand and explain ‘deemed trading receipts’.^[1]
- c) Explain and apply the general tests to distinguish between capital and revenue receipts and expenditure.^[2]

- d) Understand and explain the statutory specific taxable and non-taxable/exempt receipts.^[2]
- e) Understand and explain the general principles for allowing/granting deductions, reliefs and exemptions.^[2]
- f) Understand and explain the statutory specific deductible items and non-deductible items.^[2]
- g) Depreciation allowances:
 - i) Define ‘plant and machinery’, ‘industrial building’ and ‘commercial building’.^[1]
 - ii) Understand and explain the depreciation allowance treatments, and calculate the allowance for plant and machinery including those that are acquired under hire purchase, partly used for business, succeeded from another trade, or put out of use after the cessation of business.^[2]
 - iii) Understand and explain the depreciation allowance treatments, and calculate the allowances for industrial buildings and commercial buildings.^[2]
 - iv) Understand, explain and calculate the balancing adjustments on the disposal of plant and machinery, industrial buildings and commercial buildings.^[2]
- h) Explain and apply the tax treatments for pre-commencement income/expenditure and post-cessation receipts and/or payments.^[2]
- i) Understand and explain how a partnership is assessed to tax.^[2]
- j) Understand and explain the special tax rules and treatments applicable to partnerships, clubs and trade associations.^[2]

- k) Understand and explain the relief for overseas tax paid under s.16(1)(c) and s.16(1).^[2]

Excluded topics

- *Specific tax treatments for special industries other than clubs and trade associations.*
- *Rules and practice on service companies including DIPN 24.*

4. The comprehensive computation of assessable profits and profits tax liabilities

- a) Compute assessable profits for profits tax.^[2]
- b) Explain and apply the relief for trading losses for incorporated and unincorporated businesses including partnerships.^[2]
- c) Compute the profits tax payable, including provisional profits tax.^[2]
- d) Understand and compute the allocation (and re-allocation) of a partnership profit or loss amongst partners; including corporate partners, unincorporated partners, changes in partners and changes in profit-sharing ratios.^[2]

5. Basis period for profits tax assessments

- a) Ascertain the ‘year of commencement’, ‘basis period’ and relevant year of assessment for a commencing business; and calculate the assessable profits for the year of commencement.^[2]
- b) Ascertain the ‘year of cessation’, ‘basis period’ and relevant year of assessment for a ceasing business; and calculate the assessable profits for the year of cessation.^[2]

Excluded topics

- *Change of accounting date for basis period purposes.*
- 6. The use of exemptions and reliefs in deferring and minimising profits tax liabilities. The use of such exemptions and reliefs is implicit within all of the above sections 1 to 5 of part C of the syllabus, concerning profits tax.**

D Property tax liabilities**1. The scope of the property tax charge**

- a) Explain the basic charge to property tax.^[2]
- b) Define the terms ‘owners’ and ‘land and buildings’.^[1]

2. Income chargeable to property tax

- a) Define ‘assessable value’.^[2]
- b) Explain and recognise the tax treatment of lump sum premiums and irrecoverable rent.^[2]
- c) Explain and understand the statutory specific deductible items.^[2]

3. The comprehensive computation of net assessable value and property tax liabilities

- a) Ascertain and compute the ‘assessable value’ for property tax purposes.^[2]
- b) Ascertain and compute the ‘net assessable value’ for property tax purposes.^[2]
- c) Compute the property tax payable, including provisional property tax.^[2]

4. The use of exemptions and reliefs in deferring and minimising property tax liabilities

- a) Recognise and explain the exemptions available to incorporated and unincorporated businesses subject to both profits tax and property tax.^[2]
- b) Compare the tax position of an incorporated property owner with that of an individual property owner.^[2]

E Personal assessment**1. The election for personal assessment**

- a) Explain the advantages of an election for personal assessment.^[1]
- b) Explain who may elect for personal assessment.^[1]
- c) Recognise the procedures for electing for personal assessment.^[1]

2. The comprehensive computation of total income under personal assessment and tax liabilities

- a) Calculate the total income or joint total income under personal assessment.^[2]
- b) Determine the treatment of deductions, reliefs and losses for an individual or a married couple.^[2]
- c) Determine the treatment of concessionary deductions and Part 5 allowances.^[2]
- d) Calculate the amount of net chargeable income under personal assessment.^[2]
- e) Calculate the tax liabilities under personal assessment for an individual and a married couple.^[2]

F Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information.

2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively using the appropriate tools.

6. Summary of changes to Taxation – Hong Kong (TX-HKG)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There are no changes to the syllabus.

7. Reading List

Inland Revenue Ordinance

Departmental Interpretation and Practice Notes

Hong Kong Master Tax Guide
CCH

Patrick Kin-wai Ho & Kelvin Po-lung Mak
Hong Kong Taxation and Tax Planning
PPC

Percy Wong & Jody Wong
Taxation in Hong Kong: A Practical Guide
Wolters Kluwer

Please note it is important to use the latest (2024/25) editions available when preparing for tax examinations in June or December 2025.

8. Approach to examining the syllabus

The syllabus is assessed by a three-hour computer-based examination.

The examination will be predominantly computational and all questions are compulsory.

Section A of the exam comprises 15 multiple choice questions of 2 marks each.

Section B of the exam comprises four 10-mark questions and two 15-mark questions. The two 15-mark questions will mainly focus on salaries tax (syllabus area B) and profits tax (syllabus area C).

The section A questions and the other questions in section B can cover any areas of the syllabus.

9. Relational diagram linking Taxation – Hong Kong (TX-HKG) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Taxation – Hong Kong (ATX-HKG) by Taxation – Hong Kong (TX-HKG).

This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



10. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer-based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three-hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spreadsheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional

Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of 3 hours and 15 minutes, including reading, planning and reflection time which can be used flexibly within the examination.

Pre-seen information for the Strategic Business Leader exam will be released two weeks before the exam sitting. The pre-seen information contains background and contextual details in order for students to familiarise themselves with the fictitious organisation that they will be examined on and the industry in which it operates.

The Strategic Business Leader exam will contain new information in the form of exhibits and students are required to complete several tasks. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 professional skills marks.

As this is a closed book exam, the pre-seen information is also available within the examination.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

All option exams contain a total of 80 technical marks and 20 professional skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace.

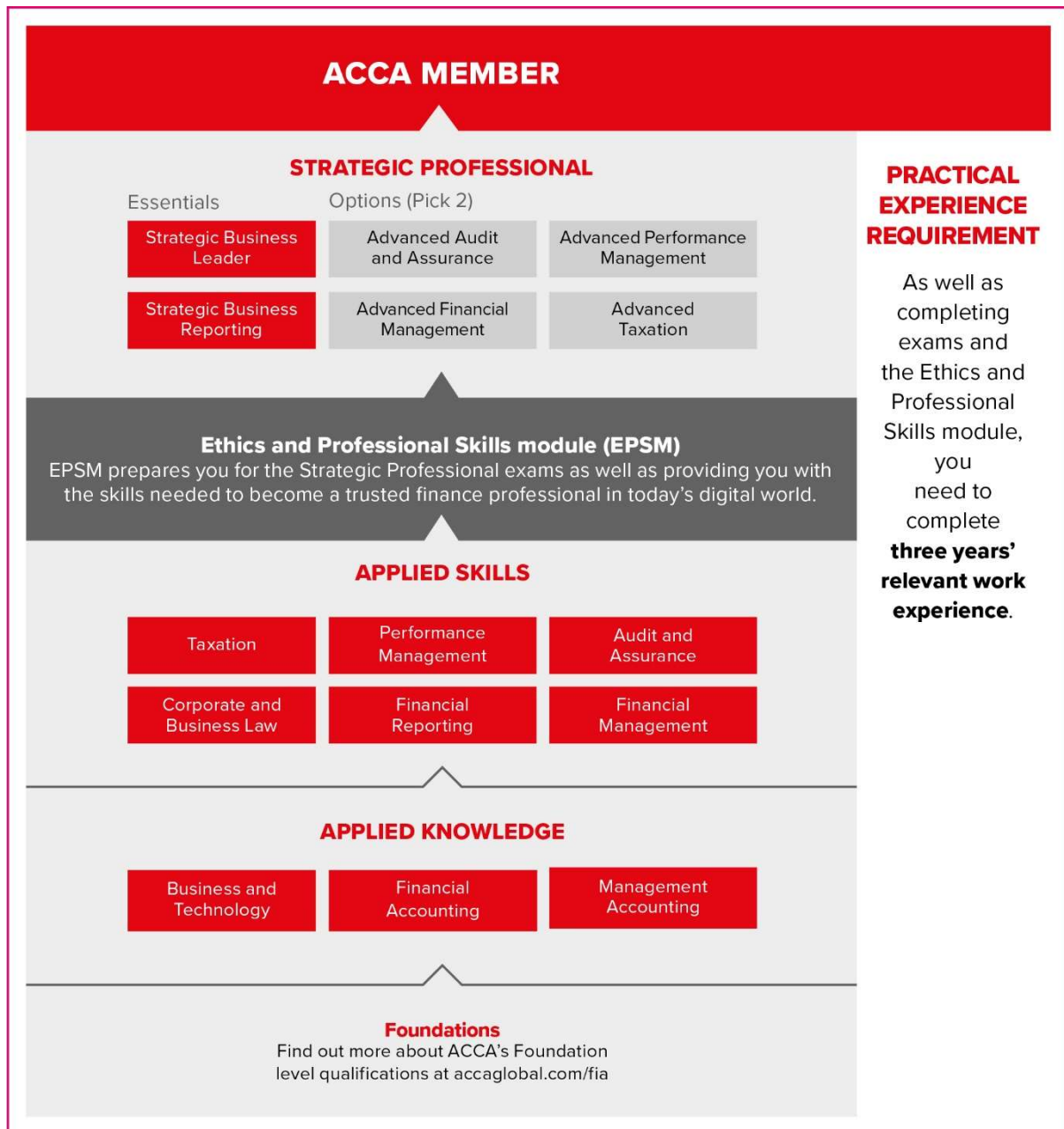
These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when students may start producing their answer.

Students should ensure that all the information and exam requirements are properly read and understood.

11. The structure of ACCA qualification



*See accaglobal.com for details

12. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates will not be examinable if the **effective** date is in the future, unless explicitly stated otherwise in this syllabus and study guide or examinable documents.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity's transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

For the **HKG** variant, tax examinations in June and December will be based on legislation passed before the previous 30 September, ie June and December 2025 exams will be based on legislation passed by 30 September 2024.

13. Learning hours and education recognition

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualification is recognised and valued by governments, regulatory authorities and employers across all sectors. To this end, the ACCA qualification is currently recognised on the education frameworks in several countries. Please refer to your national education framework regulator for further information.

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.