

28 February 2008

Hospitality & Leisure

## Hong Kong: Olympic Year Victory For Hong Kong Hotels

### Summary

Hong Kong's Financial Secretary announces plans to waive Hotel Accommodation Tax and designate 10 sites as restricted for hotel use.

### Full Update

In his budget speech on 27 February 2008, Financial Secretary John Tsang described the Tourism, Convention and Leisure industry as a "pillar" in Hong Kong's economy. To strengthen that pillar he announced a HK\$150 million budget to attract high quality convention and exhibition projects over the next five years. More significantly, he announced a plan to waive the 3% Hotel Accommodation Tax levied on all accommodation charges paid by guests. This will reduce the industry's overall tax burden by roughly HK\$470 million a year. The date for the introduction of the amendment bill is still to be confirmed. Finally, 10 sites are to be designated as restricted to hotel use. This is a response to fears that the city lacks sufficient hotel accommodation to maintain the double digit growth of visitors experienced in the last couple of years. Overall, the budget promises Hong Kong's hotel owners and developers an excellent environment for continued growth.

For further information, please contact Andrew MacGeoch ([andrew.macgeoch@mayerbrownjism.com](mailto:andrew.macgeoch@mayerbrownjism.com)) or David Mallinson ([david.mallinson@mayerbrownjism.com](mailto:david.mallinson@mayerbrownjism.com)).

Learn more about JSM's [Hospitality & Leisure practice](#).

Copyright 2008. JSM, Mayer Brown LLP and/or Mayer Brown International LLP. All rights reserved. This publication provides information and comments on legal issues and developments of interest to our clients and friends. The foregoing is intended to provide a general guide to the subject matter and is not intended to provide legal advice or a substitute for specific advice concerning individual situations. Readers should seek legal advice before taking any action with respect to the matters discussed herein. Please also read the JSM legal publications [disclaimer](#).

If you are not currently on our mailing list and would like to be, or to provide feedback on our Client Alerts, please send an email to [asia.marketing@mayerbrownjism.com](mailto:asia.marketing@mayerbrownjism.com) with your contact information. If you do not wish to receive further email messages from us, please email [asia.marketing@mayerbrownjism.com](mailto:asia.marketing@mayerbrownjism.com) with "Remove" as its subject heading. 如閣下不想再收到我們的電郵，請電郵至 [asia.marketing@mayerbrownjism.com](mailto:asia.marketing@mayerbrownjism.com). 孖士打律師行, 香港中環, 遮打道十號, 太子大廈十六至十九樓 (電話號碼: (852) 2843 2211, 傳真號碼: (852) 2845 9121).

Mayer Brown is a global legal services organization comprising legal practices that are separate entities ("Mayer Brown Practices"). The Mayer Brown Practices are: JSM, a Hong Kong partnership, and its associated entities in Asia; Mayer Brown LLP, a limited liability partnership established in the United States; and Mayer Brown International LLP, a limited liability partnership incorporated in England and Wales. The Mayer Brown Practices are known as Mayer Brown JSM in Asia.

**JSM**  
**16th-19th Floors**  
**Prince's Building**  
**10 Chater Road**  
**Central**

**Hong Kong**

**Tel: (852) 2843 2211**

**Fax: (852) 2845 9121**

**[www.mayerbrownjsm.com](http://www.mayerbrownjsm.com)**