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GUIDE

MOVING TO HONG KONG

Moving to a new country is an exciting time and Hong Kong is a very special place for British expats.

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WHAT YOU'LL LEARN IN THIS GUIDE

Moving to a new country is an exciting time and Hong Kong is a very special place for British expats.

Whether you're relocating for work or other reasons, Hong Kong is a popular destination for expats, with a high standard of living, along with excellent career, salary and networking opportunities. Whilst the logistics of an international move can

prompt a busy time, careful planning, particularly with your finances, can help you enjoy all that Hong Kong has to offer.

This guide is here to help.

Contact us

We can help you with all aspects of your financing planning affairs.

Click here to contact us.

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BEFORE LEAVING THE UK

Regulations and laws vary widely between countries, so it's important to do your research to understand the differences between the UK and Hong Kong.

A useful step is to contact the British Consulate-General in Hong Kong who can share relocation information. Some of the areas you might need to consider include:

The British High Commission in Singapore can share relocation information. Some other areas to consider include:

Banking

One of the first steps in any international move will be to consider your day-to-day finances. Your UK bank or building society may be able to help especially if they have international reach. Alternatively you might

need to establish local banking facilities so that you can transfer and access the funds you'll need to start setting up your life in Hong Kong.

Shipping your possessions and pets

Choosing to take possessions or pets with you to your new home does need some logistical thought. International cargo movers are highly skilled at what's possible in terms of furniture and personal effects and will be able to guide you through the inevitable paperwork needed. You'll need to factor the cost of global shipping into your financial plans, along with costs for any furniture which you might prefer to store. However, please note that the average size of a home in Hong Kong is considerably smaller than the UK. Therefore, it may be sensible to only ship essential items and giving very careful consideration to what you will be able to fit into a new home in Hong Kong.

When it comes to pets you'll need to consider whether your animal will be comfortable with the journey, and look into the entry requirements, paperwork and vaccinations which are needed.

Living costs

Take some time to research the living costs in Hong Kong. Think about travel costs to and from work, rent, food and utility bills and compare them with your current cost of living. This will prepare you for what to expect, and you may be able to factor your findings into any salary negotiation.

Education

If you have children of school age it will be vital to consider what options are available. Good schools can be over-subscribed, and it will be important to thoroughly investigate and, if possible, visit your options to determine the best place to educate your child or children.

Saving for retirement

In most cases, pension contributions are related to your UK earnings and therefore you'll be unable to continue contributing to their UK pensions over the long-term while living abroad. Therefore, it's unlikely that you'll be building pension assets as you would have in the UK. Some companies may offer some sort of alternative savings scheme, but this is usually a benefit rather than a legal requirement such as workplace pensions in the UK, and you won't benefit from tax relief on contributions (which is a major benefit to UK pensions). As such, you need to be more proactive about building retirement savings yourself to plan for future years.



For more detailed information ahead of your move **download our guide to leaving the UK**



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MANAGING YOUR MONEY AS AN EXPAT

Taking control of your finances can be the cornerstone to a successful move overseas. Here are some of the key areas to consider:

Understand your tax position

There are a range of tax considerations to be aware of when moving to Hong Kong. Understanding the rules in the UK, and Hong Kong is very important. You must also make sure that you notify HMRC, the UK tax authorities, if you're moving to Hong Kong.

Any move you make is almost certain to happen part-way through a tax year, and so working with a tax expert can help you to reclaim any additional tax you might have paid, or safeguard against any penalties for tax which remains due.

Work with an international financial adviser

Working with a knowledgeable financial adviser whilst living and working in Hong Kong can help you make the most of your expat status, and potentially build wealth, especially given the tax advantages which you can enjoy. From a financial perspective, living and working in Hong Kong means you can enjoy a much lower rate of Income Tax; with a top rate of 17% compared to the UK's 45% you can enjoy a significant boost to your income.

The Fry Group has offices in the UK, Europe and Asia including Hong Kong, and many of our team have first-hand experience of making a move between these countries. We can support you with all aspects of your finances – from exiting the UK tax system and sensibly managing any income from a UK property to ensuring that your

investment plans remain on track. We can also help should you decide to return to the UK or move elsewhere in the world.

Build your investment portfolio – away from the UK tax net

Becoming an expat can create additional complexity when it comes to your investments. Moving to Hong Kong will involve navigating and understanding different or unfamiliar tax systems and rules. Additionally, you'll have the added complication of dealing with currency fluctuations. Yet there are a number of opportunities when it comes to your investment options, and it's important to take advantage of your expat status whilst you're living and working in Hong Kong.

During any period where UK tax might not apply you may be able to build your capital. As an expat you may even enjoy a higher income together with a lower tax rates. This can provide you with a great opportunity to save and develop an investment portfolio.

There's no Capital Gains Tax in Hong Kong, so there is the potential to realise investment profits tax free.

We've been providing investment advice to expats for many years and our helpful team has a solid understanding of the complexities and opportunities available to you. We'll work with you to create a comprehensive investment plan whilst you're living in Hong Kong and review it regularly to help ensure it stays on track.

Keep your retirement planning on track

As a British expat you can generally contribute to your UK pension scheme while living abroad, for up to six tax years. Continuing to make National Insurance payments in the UK also ensures that you can access the State Pension, which can be a useful top-up to your own retirement funds. It's important to carefully review the rules and regulations related to pension contributions and withdrawals and seek professional financial advice to ensure you're complying with all applicable laws and regulations in Singapore. This can help to avoid potential issues such as double taxation or penalties.

Some UK pension schemes may have specific rules or limitations on contributions from non-UK residents. It's important to carefully review the terms and conditions of your pension scheme and seek professional advice on your personal circumstances.



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Mandatory Provident Fund

If you're working you'll likely be enrolled in a scheme via the Mandatory Provident Fund (MPF) system. Contribution limits are low, and the investment choices limited, so the scheme is very unlikely to satisfy your requirements for an adequate retirement plan. There are a range of specific expat pensions designed to help expatriates have more control and flexibility of their retirement planning.

You should be aware that as an expat you can withdraw your MPF contributions upon reaching age 65 (or if you meet other payment conditions). It is also possible to withdraw MPF benefits in a lump sum by declaring you've departed or will depart from Hong Kong. It's important to note that this does mean you won't be paid MPF again for all subsequent applications on the same grounds.



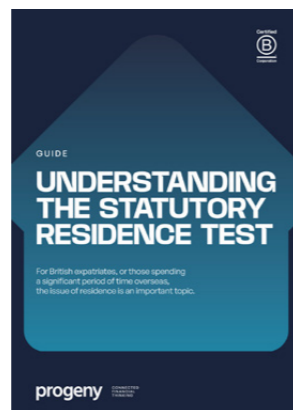
To understand more about your pension options download our guide to **expat pensions**

Consider your residence and domicile

Your UK tax exposure depends on your residence and domicile status. Both are governed by complex rules and it's useful to speak to an international tax specialist.

Residence – as a UK resident you'll generally be taxed on all your income and gains arising anywhere in the world (including overseas employment income). If you're not a UK resident, you might only have to pay tax on any interests you have in the UK such as income or when selling a UK property. Your residence status is determined using the Statutory Residence Test.

Domicile – this legal concept is used to define your 'homeland'. It's a separate tax consideration to your nationality, residence or citizenship and doesn't automatically reflect the country you're currently living in.



For more information **download** our guide to **Understanding the Statutory Residence Test**

Domicile defines whether or not you'll be caught in the UK Inheritance Tax net, and likely to face a substantial 40% tax charge.

Manage UK property

You might be keen to keep a foothold on the UK property ladder for a number of reasons. Many British expats choose to keep a home in the UK to move back to when it's time to return, or to generate an income from whilst living abroad. You might even be able to keep your home so you can use it when visiting family and friends back in the UK. However, it's important to understand the UK tax implications of maintaining a UK property. If you choose to rent out your home (or another property) the Non Resident Landlord Scheme can help ensure you pay tax correctly on any rental income.

Update your Will and estate plans

When moving abroad you'll need to consider updating your Will to ensure it continues to reflect your wishes. You'll need to think about guardianship if you have children, and temporary support if your chosen guardian lives back in the UK. As an expat,

your financial circumstances are likely to be crossborder and you may need Wills in other jurisdictions outside of the UK. For example, if you were to purchase a property in Hong Kong, local advice should be sought to identify whether a Hong Kong Will would be required.

Review your insurance

Ensuring that your hard-earned capital is properly protected is extremely important, especially if unexpected events occur. Without the right protection you and your family could be left in a difficult financial situation in the face of highly emotional events such as unemployment or serious illness. As part of an international move it will be vital to review your insurance and ensure that you'll be covered if unexpected circumstances occur.

Contact us

We can help you with all aspects of your financing planning affairs. **Click here** to contact us.

USEFUL INFORMATION ABOUT HONG KONG

Visa requirements

If you are a UK citizen looking at visiting Hong Kong you can normally stay for up to six months without a visa. However, if you are looking to relocate to work or study in Hong Kong a visa is required. Popular visas for expats include:

General Employment Policy - Professional (GEP): for foreign individuals who will be employed by a Hong Kong company and will be relocating to Hong Kong. You will need to have a confirmed job offer as your company will act as your visa sponsor.

General Employment Policy - Entrepreneur (GEP): for foreign entrepreneurs who wish to start their own business and relocate to Hong Kong.

Top Talent Pass (TTPS): This visa is designed to entice skilled professionals worldwide, offering opportunities to explore career growth in the region without a job offer. TTPS holders can stay for 24 months without meeting additional stay conditions set by the Immigration Department of Hong Kong.

Dependants: Married individuals who would like their spouse to join them in Hong Kong can opt for a Dependent visa. This is available to immediate family members (spouse/ unmarried children under 18) of foreign nationals holding valid Hong Kong visas.

It's worth noting that after seven years employment a Hong Kong residency status can be applied for which means that any future work can be carried out without a work visa. For more information on visa requirements, check [immd.gov.hk](https://www.immd.gov.hk).

Accommodation

Housing in Hong Kong is expensive. Apartments can be small with little or no storage, and you should expect to pay a lot more than you may be used to in the UK. Older property and apartments or villas outside of the city centre can sometimes offer a better option, although you may have a commute to work and schools. Once on the ground you may want to consider working with an agent to help you find a home that suits your needs and wants. Both local and expat specialists are available. Another option is to join local expat Facebook groups for insights from other expats on popular areas to live in Hong Kong.

You should be aware that to rent in Hong Kong, you'll need to show your employment letter and contract, a valid visa and a copy of your passport or government-issued HKID.

Education

Schools in Hong Kong are well regarded. While public schools uphold a high standard of learning, the curriculum is mostly taught in Cantonese. As a result most expat families choose to enrol their children in international schools.

There are a number of international options in Hong Kong but it's important to be aware of the demand for places and the cost involved. An alternative are schools run by the English Schools Foundation (ESF) which are subsidised by the government and teach the International Baccalaureate (IB) programme.

Healthcare and medical insurance

The Hong Kong government provides healthcare to all residents, including non-permanent residents, with minimal or no cost. With a Hong Kong ID card and valid visa, you'll automatically qualify for public healthcare benefits. However generally expats are expected to be provided with healthcare coverage by their employers as a condition of visa approval.

Given the high cost of private healthcare in Hong Kong, it's important to explore medical insurance options beyond any basic coverage offered. Additional coverage not only offers peace of mind in the event of unforeseen healthcare issues but also safeguards your personal savings from being significantly impacted by substantial medical expenses.

Transport

Hong Kong's metro system (MRT) consists of 12 lines and covers virtually the entire region. Ferries and trams are important modes of transport, and the bus network is extensive but can take some time to learn to navigate. Taxis are colour coded based on area and are relatively cheap.

Domestic help

Many expats use domestic help whilst in Hong Kong. Check the eligibility criteria, processes and law from the Immigration Department before hiring.

Mandatory Provident Fund

The Mandatory Provident Fund (or MPF) is a retirement fund which all Hong Kong residents contribute to. It typically requires a 5% contribution from employee and employer, but if you leave Hong Kong you may be able to 'cash out' your contributions.

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MOVING TO HONG KONG CHECKLIST

Moving to Hong Kong can be a busy time and the following checklist may help you plan some of the key tasks you'll need to consider:

- ✓ Decide on the timeline for your move – think about work, schooling and any other key dates which might impact your family
- ✓ Schedule a visit ahead of your move to investigate the area and other practicalities such as where to live
- ✓ Create a budget
- ✓ Decide on whether to keep, sell or rent your UK property
- ✓ Research and engage an expat tax and financial specialist
- ✓ Contact the local embassy to understand your entry requirements
- ✓ Check immunisation requirements
- ✓ Understand tax implications and notify HMRC
- ✓ Apply for visa and residency permit
- ✓ Arrange accommodation or somewhere to live in the short-term until you're settled
- ✓ Research international shipping companies and organise any necessary storage
- ✓ Consider healthcare options
- ✓ Research schooling

- ✓ Check what documents you need and make copies
 - Passport
 - Birth certificate or adoption papers
 - Child custody papers
 - Divorce papers
 - Drivers license
 - Marriage certificate
 - Medical/Dental records
 - School records

- ✓ Set up local banking and credit card options or advise your UK bank or building society that you'll be overseas

- ✓ Pay all outstanding bills
- ✓ Check your insurance cover and add travel cover if needed
- ✓ Research whether your mobile phone will work overseas
- ✓ Consider whether you want to learn the local language

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HOW WE CAN HELP

Living as an expatriate in Hong Kong is an exciting experience. Whether you're relocating for work or other reasons, Hong Kong is a popular destination for expats, with a high standard of living, along with excellent career, salary and networking opportunities.

With great year-round temperatures, it provides a welcoming environment for singles and families.

To discuss your financial plans ahead of your move, or once you've relocated to Hong Kong, please get in touch with our friendly local team.

**Unit 1115, Tower 2,
Lippo Centre, 89 Queensway,
Admiralty, Hong Kong.**

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