

Hong Kong

Hong Kong first enacted legislation for captive insurance in 1997, with its first captive licensed in 1999.

Hong Kong is known for its commitment to encouraging the establishment of captive insurers in the territory with a view to promoting Hong Kong as a captive centre within the Asian region.

It also holds a reputation for being the financial, trading and business centre in Asia, providing a sound, and internationally respected, legal system and a resilient, resourceful and efficient workforce, and a sophisticated and friendly business environment.

Hong Kong keeps its regulatory legislation under regular review so it up to date with international standards.

The domicile is home to traditional types of captives insurance companies that carry general insurance business and sways away from more sophisticated types of captives such as rent-a-captives and protected cell captives.

The domicile boasts a simple tax regime with a corporate tax rate as low as 16.5 percent, while the maximum rate of personal income tax is only 15 percent.

Since 2014, there has been a 50 percent reduction in the corporate tax rate for the offshore insurance business of captives.

The minimum paid-up capital requirement for captives licensed in Hong Kong is HKD 2 million (USD 260,000), while the solvency requirements stand at 5 percent of the net premium income, 5 percent of the net claims outstanding, HKD 2 million, or whichever is greater.

More information on captive insurance in Hong Kong can be found at www.oci.gov.hk/about/index.html.