

**THE UNIVERSITY OF HONG KONG
GRADUATE SCHOOL**

**TAXATION IN HONG KONG IN RESPECT OF
RESEARCH POSTGRADUATE STUDENTS**

One of the major concerns of most research postgraduate students, besides their research, is probably money!

Research postgraduate students in Hong Kong may receive financial support for their study in the University in two possible ways, namely, through student financial awards and through employment as follows:

(a) Student Financial Awards

- Scholarships and Prizes (*provided by both the University and external sources*)
- University Bursaries and Loans
- Postgraduate Scholarships, the Hong Kong PhD Fellowship & University Postgraduate Fellowships (*provided by either the University or the Hong Kong Research Grant Council*)
- Research Grants
- Government Grants and Loans
- Conference and Travel Support (*provided by the University*)

(b) Types of Employment

- Research Assistantships
- Demonstratorships
- Tutorships
- Teaching Assistantships

The principle of the Inland Revenue Ordinance of Hong Kong is that every person will be charged Salaries Tax in respect of income arising in or derived from Hong Kong from any office of employment, employment of profit or any pension in each year of assessment. Income includes wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance and, in the case of employer-provided accommodation, the difference between the subsidized or nil rental level and the real market rental value.

In accordance with this Ordinance, any awards made under category (a) are NOT subject to Salaries Tax. However, the income received from the types of employment listed under category (b) above is subject to Salaries Tax as these items are offices of employment. Students who are employed by holders of CERG grants rather than being the grant-holders themselves will be considered as holding an office of employment, the income generated from which is also subject to Salaries Tax.

If you are still unclear about your position with regard to your tax liability or any other matter concerning research postgraduate study, please feel free to call the Graduate School at 2857 3470 or e-mail gradsch@hku.hk.