



Construction Industry LEVY



Construction Industry Levy

Pursuant to the Construction Industry Council Ordinance (Cap. 587) ("CICO"), Construction Workers Registration Ordinance (Cap. 583) ("CWRO"), and the Construction Workers Registration (Levy) Notice (Cap. 583 Sub. Leg. A), a "Construction Industry Levy" at 0.53% is to be imposed on construction operations carried out in Hong Kong with a total value exceeding HK\$3,000,000.

Notices to the Council

The notice of commencement, notice of payment and notice of completion referred to below are required to be given to the Construction Industry Council ("Council") via its Levy E-service platform on a compulsory basis as from 1st July 2023. Please refer to the weblink or QR code at the end of this pamphlet for application of the E-service account.

Form 1 ▶ 14

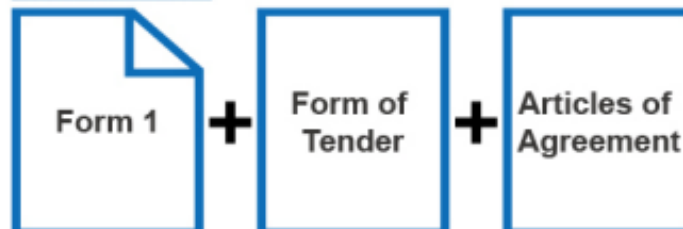
Days after
construction
operation
commencement



Notice of Commencement

The **contractor** ("CT") and the **authorised person** ("AP") of a construction operation are each required to inform the Council that they are the contractor and authorised person of the construction operation. The notice has to be given to the Council within 14 days after the commencement of the construction operation together with copies of the Form of Tender and Articles of Agreement.

Submission



Form 2

14

Days after
a payment
is made



Notice of Payment – Interim or Final Payment

The CT is required to give notice of payment to the Council within 14 days after a payment is made to the CT or for his benefit in respect of any construction operations or any stage or part of any construction operations together with a copy of the payment certificate or payment supporting documents.

(For a term contract, the notice of payment is required to be given within 14 days after the last day of the month in which the payment is made to a CT or for his benefit.)

Submission



Form 3

14

Days after
construction
operation
completion



Notice of Completion

The CT and the AP are each required to give notice of completion to the Council within 14 days after completion of any construction operations or of a stage of any construction operations together with a copy of the completion certificate and the latest payment certificate or payment documents.

Submission



Fine for Late Submission of Levy Forms



Under sections 34(5), 35(6) and 36(6) of CICO, and sections 24(5) and 25(7) of CWRO, a CT or AP who, without reasonable excuse, fails to give the above notices when required to do so, commits an offence and is liable on conviction to a fine at level 1 for failure to give notice of commencement, or a fine at level 3 for failure to give notice of payment or notice of completion.

Surcharge on Late Submission of Levy Forms

Under section 41 of CICO or section 26(8) of CWRO, if a CT fails to give a notice of payment or notice of completion required to be given by him under sections 35 or 36 of CICO or section 25 of CWRO and does not give a reasonable excuse for the failure, the Council may, in addition to the levy assessed, impose a surcharge on the CT not exceeding twice the amount of such levy.

Objection to Levy or Surcharge

Under section 55 of CICO or section 29 of CWRO, a notice of objection (obtainable from the Council website), must be served within 21 days after receiving the notice of assessment or the notice of surcharge, accompanied by written statements on objection grounds and other documentary evidence.

Construction Operations

Under section 46 of CICO and section 27 of CWRO, a CT of a construction operation shall pay to the Council an amount of levy as assessed by the Council. Under CICO, "construction operations" generally include –

- Building works, street works;
- Construction, alteration, repair, maintenance, extension, demolition or dismantling of buildings or structures, power lines, telecommunications apparatus or pipelines;
- Supply and installation of fittings or equipment in any buildings or structures including electrical and mechanical works;
- External or internal cleaning of any buildings or structures, which is carried out in the course of construction or maintenance of such buildings or structures;
- Painting or decorating any external or internal surfaces or parts of any buildings or structures; and
- Operations which form an integral part of, or are preparatory to any of the above operations.

Remark: The above provides only a brief and non-exhaustive summary of the definition of "construction operations" under CICO. For the complete definition, please refer to Schedule 1 of CICO.



Enquiries and Further Information



CIC Headquarters
38/F, COS Centre, 56 Tsun Yip Street,
Kwun Tong, Kowloon, Hong Kong



Hotline:
2100 9200



Fax:
2100 9339



Email:
levy@cic.hk



Website:
www.cic.hk



Levy E-service application:
www.cic.hk/eng/main/levy/e-service_form/



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