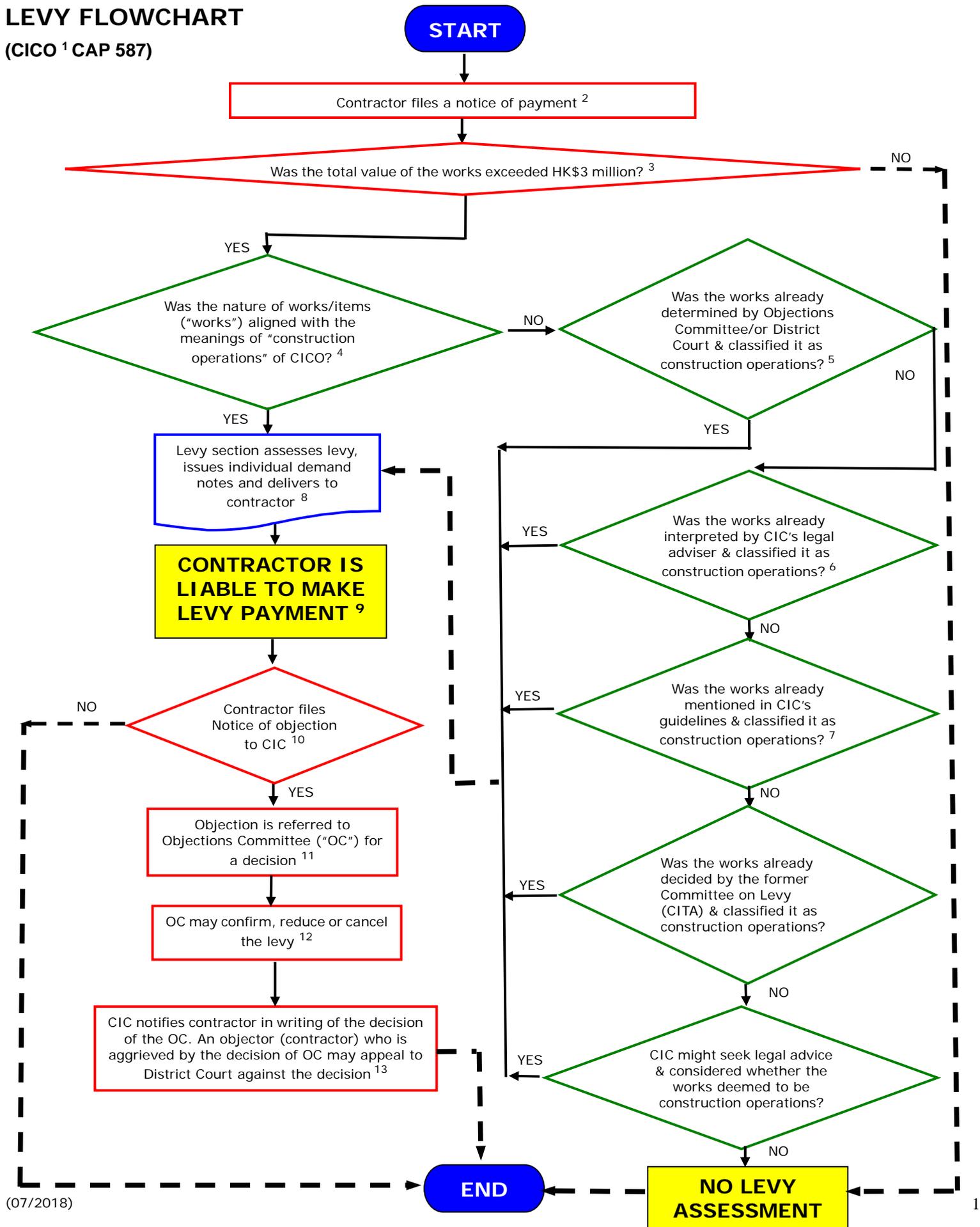


# CONSTRUCTION INDUSTRY COUNCIL

## LEVY FLOWCHART

(CICO <sup>1</sup> CAP 587)



## Explanatory Notes: -

- <sup>1</sup> CICO – Construction Industry Council Ordinance;
- <sup>2</sup> Pursuant to section 35 of CICO;
- <sup>3</sup> Pursuant to section 32(3) of CICO, construction operations are leviable and total value of which exceeds HK\$3 million\*;  
(\*The Levy threshold was raised from \$1 million to \$3 million with effect from July 30, 2018. The amendment of levy threshold will not be applied retrospectively to any construction operations which have commenced or been tendered before the effective date of the amendment).
- <sup>4</sup> The assigned meaning of “construction operations” of Schedule 1 of CICO includes: -
  - 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 building or structures including electrical and mechanical (E&M) 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;
- <sup>5</sup> Items decided by OC to be leviable, so far, are: -
  - liquidated damages;
  - replacement of lighting works;
  - certified value of construction operations and not on the actual amount of payment received by the contractor;
  - Maintenance of heating, air conditioning installations in Government venues;
  - uncollectible retention money;
  - additional insurance payment certified by employer;
  - sediment and water sampling, laboratory testing on seabed contaminated mud; and
  - provision of labour & technician for the completion of construction operations;
- <sup>6</sup> Items decided by legal advice to be leviable are: -
  - maintenance of lift, escalator installation;
  - maintenance of E&M works installed in buildings and structures;
  - construction materials testing service for the purpose of other construction operations
  - provision of labour, security, contract car etc under certain works orders of a construction term contract; and
  - construction operations carried out on consular premises or the Office of Commissions of Ministry of Foreign Affairs of PRC;
- <sup>7</sup> Items covered by guidelines to be leviable are: -
  - leaflet on the Construction Industry Levy in July 2018;
  - amendments highlighted on the Construction Industry Levy leaflet in April 2004 Cap 317\* (\* E&M works are subject to levy after 1 June 2004); and
  - joint declaration of former CITA & PCFB in January 2002, Cap 317\* (\* before 1 Jan 2004, E&M works are non-leviable items)
- <sup>8</sup> Pursuant to sections 37, 52 and 53 of CICO;
- <sup>9</sup> Pursuant to sections 33(1) and 46 of CICO;
- <sup>10</sup> Pursuant to section 55 of CICO;
- <sup>11</sup> Pursuant to section 56(1) of CICO;
- <sup>12</sup> Pursuant to section 56(2) of CICO; and
- <sup>13</sup> Pursuant to sections 56(3) and 57 of the CICO.