

Head 147 — GOVERNMENT SECRETARIAT: FINANCIAL SERVICES AND THE TREASURY BUREAU (THE TREASURY BRANCH)

Controlling officer: the Permanent Secretary for Financial Services and the Treasury (Treasury) will account for expenditure under this Head.

Estimate 2026–27 **\$424.5m**

Establishment ceiling 2026–27 (notional annual mid-point salary value) representing an estimated 182 non-directorate posts as at 31 March 2026 reducing by four posts to 178 posts as at 31 March 2027 **\$142.2m**

In addition, there will be an estimated 19 directorate posts as at 31 March 2026 and 31 March 2027.

Commitment balance..... **\$1,183.0m**

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Financial Services and the Treasury).
Programme (2) Revenue and Financial Control	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).
Programme (3) Service Departments	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Financial Services and the Treasury).

Detail

Programme (1): Director of Bureau's Office

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	17.2	17.8	17.5 (–1.7%)	17.8 (+1.7%)
				(or same as 2025–26 Original)

Aim

2 The aim is to ensure the smooth operation of the Office of the Secretary for Financial Services and the Treasury.

Brief Description

3 The Office of the Secretary for Financial Services and the Treasury is responsible for providing support to the Secretary for Financial Services and the Treasury in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The Office is also responsible for providing administrative support to the Secretary for Financial Services and the Treasury in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

Programme (2): Revenue and Financial Control

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	192.6	210.7	158.3 (–24.9%)	146.9 (–7.2%)
				(or –30.3% on 2025–26 Original)

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Aim

4 The aim is to manage the allocation of resources; oversee the Government's tax and revenue-raising policies; facilitate decisions on government investments; and promote open, fair, competitive and pro-innovation government procurement, in line with the value for money principles and relevant policy objectives of the Government.

Brief Description

5 The Treasury Branch's work under this programme is to formulate, co-ordinate and support policies and actions to:

- ensure that the growth of government expenditure over time is commensurate with the growth of the economy;
- ensure that the resources available are directed towards those policy areas which will be the most beneficial to the community, with due regard to government affordability and fiscal sustainability;
- improve Hong Kong's competitiveness and living environment by investing in major infrastructure projects;
- maintain a simple and low tax system which encourages investments and facilitates businesses;
- enhance tax transparency, combat tax evasion and minimise opportunities for tax avoidance;
- promote value for money and adherence to the "cost recovery" and "user pays" principles in the delivery of government services; and
- manage the fiscal reserves to meet the operational needs of the Government, secure investment income, provide for unfunded liabilities and commitments, serve as a cushion against future uncertainties, etc.

6 In 2025, the Treasury Branch continued to co-ordinate the resource allocation, Estimates compilation and Budget preparation processes, and assessed the financial implications of proposals from bureaux and departments with due diligence.

Matters Requiring Special Attention in 2026–27

7 During 2026–27, the Branch will:

- seek to align the growth of government expenditure with that of the economy and continue to manage the allocation of resources having regard to established principles for the prudent management of public finance;
- continue to oversee the implementation of the Organisation for Economic Co-operation and Development (OECD) standard for automatic exchange of financial account information in tax matters, measures to tackle base erosion and profit shifting (BEPS) of enterprises and launch of global minimum tax and Hong Kong minimum top-up tax to tackle the tax challenges arising from the digitalisation of the economy in the context of the OECD's BEPS 2.0 Project;
- pursue the legislative exercise for implementing the Crypto-Asset Reporting Framework and amendments to the Common Reporting Standard promulgated by the OECD;
- continue to expand Hong Kong's network of comprehensive avoidance of double taxation agreements with trading partners, in particular countries participating in the Belt and Road Initiative and emerging markets;
- continue to oversee the Government's procurement policy, and update or streamline the prevailing procurement procedures and guidelines having regard to prudent financial management principles, best practices in the market and relevant policy objectives of the Government;
- continue the drive to streamline financial regulations within the Government;
- continue to consider major investment and loan proposals in support of socio-economic development; and collaborate with relevant bureaux and departments to ensure that government fees and charges are reviewed timely based on the "cost recovery" and "user pays" principles; and
- continue to provide support and advice on financial matters relating to the development of the Northern Metropolis and the attraction of targeted industries through preferential policies, including administration of the issuance of Government bonds to support infrastructure development.

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Programme (3): Service Departments

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	101.6	103.2	100.2 (–2.9%)	109.8 (+9.6%)
				(or +6.4% on 2025–26 Original)

Aim

8 The aim is to ensure that government departments receive essential and quality central support services to enable them to provide services to the public in an efficient and cost-effective manner.

Brief Description

9 The Treasury Branch’s work under this programme is to:

- formulate and co-ordinate policies and actions to ensure the efficient and cost-effective delivery of central support services under its purview (e.g. financial information management, procurement, supplies management, land transport, printing and accommodation);
- formulate and co-ordinate policies and actions to ensure that the service departments under its purview provide quality support services to meet the needs of bureaux and departments; and
- collaborate with relevant bureaux and departments to ensure that relevant government policy objectives are met through central support services.

Matters Requiring Special Attention in 2026–27

10 During 2026–27, the Branch will continue to:

- monitor and facilitate the work of the service departments to ensure efficiency and cost-effectiveness in the delivery of central support services.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
(1) Director of Bureau’s Office	17.2	17.8	17.5	17.8
(2) Revenue and Financial Control.....	192.6	210.7	158.3	146.9
(3) Service Departments	101.6	103.2	100.2	109.8
	311.4	331.7	276.0 (–16.8%)	274.5# (–0.5%)
				(or –17.2% on 2025–26 Original)

The cash flow requirements for the Electricity Charges Subsidy Scheme are reflected in *Subhead 700 General non-recurrent*.

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2026–27 is \$0.3 million (1.7%) higher than the revised estimate for 2025–26. This is mainly due to the increased requirement for personal emoluments and personnel related expenses.

Programme (2)

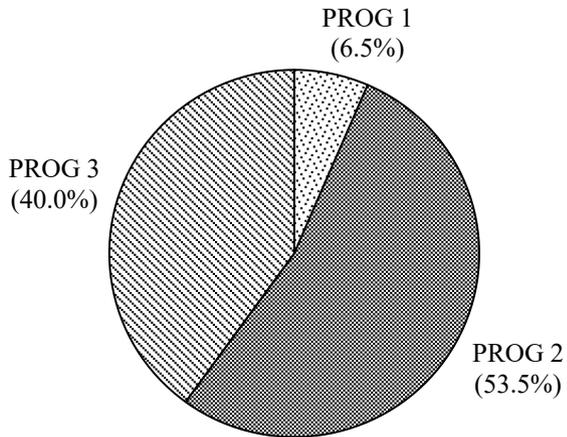
Provision for 2026–27 is \$11.4 million (7.2%) lower than the revised estimate for 2025–26. This is mainly due to the reduced provision for *air passenger departure tax administration fees* which have been offset against the revenue from air passenger departure tax since 1 August 2025 and partly offset by increased requirement for personal emoluments, personnel related expenses and departmental expenses. There will be a decrease of four posts in 2026–27.

Programme (3)

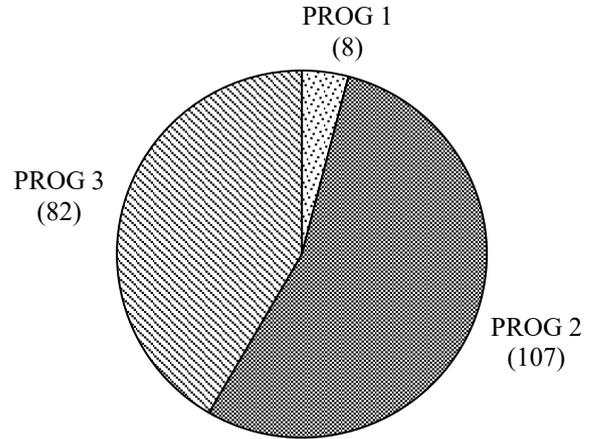
Provision for 2026–27 is \$9.6 million (9.6%) higher than the revised estimate for 2025–26. This is mainly due to the increased requirement for personal emoluments, personnel related expenses and departmental expenses.

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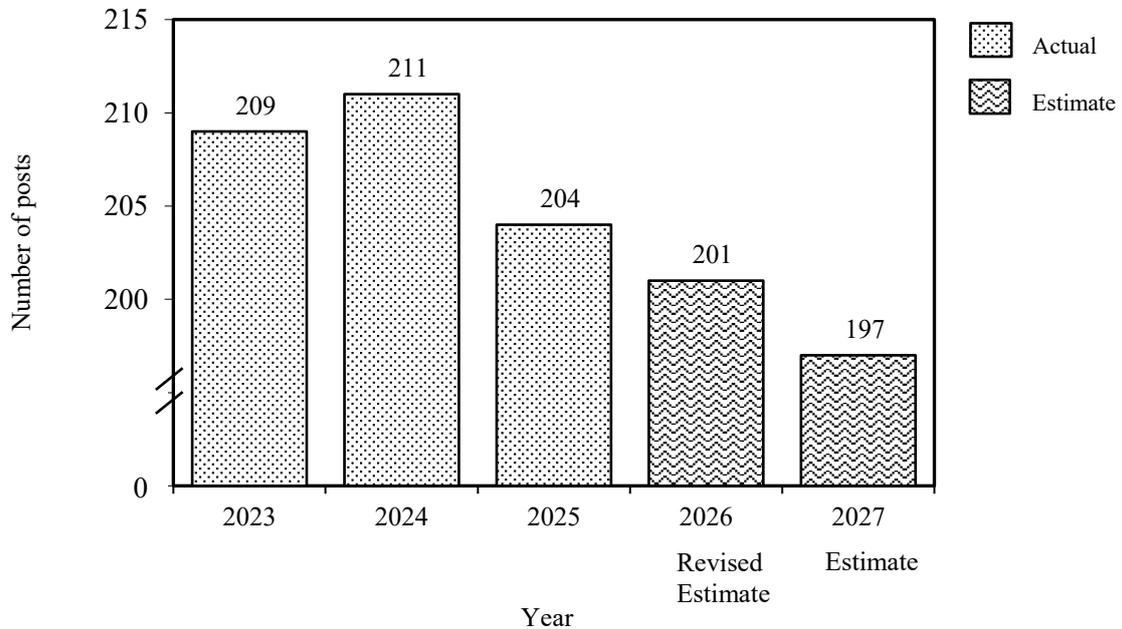
Allocation of provision to programmes (2026-27)



Staff by programme (as at 31 March 2027)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2024–25	Approved estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	255,058	263,273	255,685	274,513
	Air passenger departure tax administration fees	56,326	68,420	20,330	—
	Total, Recurrent.....	311,384	331,693	276,015	274,513
Non-Recurrent					
700	General non-recurrent	1,027,103	260,290	112,945	150,025
	Total, Non-Recurrent.....	1,027,103	260,290	112,945	150,025
	Total, Operating Account	1,338,487	591,983	388,960	424,538
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	Total Expenditure	1,338,487	591,983	388,960	424,538

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Details of Expenditure by Subhead

The estimate of the amount required in 2026–27 for the salaries and expenses of the Treasury Branch is \$424,538,000. This represents an increase of \$35,578,000 over the revised estimate for 2025–26 and a decrease of \$913,949,000 against the actual expenditure in 2024–25.

Operating Account

Recurrent

2 Provision of \$274,513,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Treasury Branch.

3 The establishment as at 31 March 2026 will be 201 posts. It is expected that there will be a decrease of four posts in 2026–27. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2026–27, but the notional annual mid-point salary value of all such posts must not exceed \$142,154,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2024–25 (Actual) (\$'000)	2025–26 (Original) (\$'000)	2025–26 (Revised) (\$'000)	2026–27 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	186,994	187,106	185,325	192,522
- Allowances.....	10,609	15,033	8,728	9,689
- Job-related allowances	1	9	3	9
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	166	256	163	308
- Civil Service Provident Fund contribution.....	17,892	18,895	18,537	19,947
Departmental Expenses				
- Honoraria for members of committees	1,114	1,935	1,899	1,765
- General departmental expenses	38,282	40,039	41,030	50,273
	255,058	263,273	255,685	274,513

5 Provision for *Air passenger departure tax administration fees* is for the payment to airlines, helicopter companies and the Civil Aviation Department's agent in respect of the collection of air passenger departure tax and the processing of exemption and refund applications related thereto. With effect from 1 August 2025, the administration fees payable to airlines and helicopter companies have been offset against revenue from air passenger departure tax under *Head 3 Internal Revenue*.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2025	Revised estimated expenditure for 2025–26	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	835	Supplementary electricity charges subsidy for eligible public housing tenants affected by redevelopment, major repair or improvement worksΔ	9,000	7,186	25	1,789
	881	Electricity charges subsidy for eligible residential accountsΔ	36,369,000	35,077,832	110,000	1,181,168
		Total	<u>36,378,000</u>	<u>35,085,018</u>	<u>110,025</u>	<u>1,182,957</u>

Δ As announced by the Government on 30 December 2025, the validity end date of the unused subsidy balances under the Electricity Charges Subsidy Scheme was extended by one year to 31 December 2026.