

Series of brief newsletters released by **Bharucha & Co.** on latest legal developments predominantly in Pakistan.

Hong Kong Advances Ambitions to Become a Regional IP Trading Hub

Hong Kong has announced a number of initiatives aimed at strengthening the commercialization, valuation, and financing of Intellectual Property assets as it continues efforts to position itself as a regional hub for IP trading.

Speaking at the 2026 World Intellectual Property Day Reception, Hong Kong Financial Secretary Paul Chan highlighted the government's commitment to unlocking the economic value of Intellectual Property and enhancing the connection between innovation and capital markets. He emphasized that IP is increasingly recognized as a strategic asset capable of transforming innovation into commercial value.

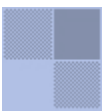
Chan pointed to the Guangdong- Hong Kong – Macao Greater Bay Area's innovation strength, noting that the region currently holds nearly 820,000 valid invention patents, representing close to one-sixth of all invention patents in China. He stated that Hong Kong is well positioned to facilitate the commercialization and cross-border utilization of these intellectual assets.

To support this objective, the government has introduced a patent box tax regime that provides a preferential 5 percent tax rate on qualifying IP derived income. Authorities are also preparing amendments to the Inland Revenue Ordinance to further facilitate IP-related transactions and investments.

Additionally, Hong Kong is advancing initiatives to enhance IP valuation and financing. Through the Hong Kong Technology and Innovation Support Centre, a patent valuation support scheme is being launched to assist businesses in assessing the value of their intellectual assets. The government is also progressing an Intellectual Property financing Sandbox, designed to help companies leverage patents, trademarks, and other intangible assets as collateral for financing.

Talent development remains another key component of Hong Kong's IP strategy. The Intellectual Property Department is expanding its patent examiner workforce, while plans are underway to launch an Intellectual Property Academy in 2026 to strengthen professional expertise and support the long-term development of the IP ecosystem.

The latest measures form part of Hong Kong's continuing efforts to strengthen its Intellectual Property ecosystem and facilitate the commercialization of intangible assets. The initiatives are likely to be of



particular interest to businesses seeking to monetize, finance, or expand the commercial use of their Intellectual Property portfolios.

