

# Table of Legislation



## Hong Kong Legislation

**Banking Ordinance, 119, 214, 286, 324, 797**

**Basic Law, 6, 61, 733**

**Betting Duty Ordinance, 8**

**Business Registration Ordinance (BRO), 8**

**Companies Ordinance, 38, 66, 298**

**Criminal Procedure Ordinance, 9, 50**

**Education Ordinance, 366, 792**

**Electronic Transactions Ordinance ('ETO'), 109, 597**

**Employment Ordinance (EO), 389, 390**

**Estate Duty Ordinance (EDO), 5, 8, 506**

**Hotel Accommodation Tax Ordinance, 8**

**Inland Revenue (Amendment) Ordinance 2010, 668**

**Inland Revenue (Amendment) (No. 2) Ordinance 2010, 64**

**Inland Revenue (Amendment) (No. 3) Ordinance 2011, 25**

**Inland Revenue (Disclosure of Information) Rules, 668**

**Inland Revenue Ordinance (IRO), 5, 8, 24, 37,66**

S2, 12, 13, 14, 19, 91, 92, 94, 152, 185, 192, 214, 296, 353, 366, 413, 414, 560

S2(1), 155, 214

S3, 9, 38

S3(1), 207

S3(2)(a), 214

S3(2)(b), 214

S3(2)(c), 214

S5, 413

S5(1A)(b)(i), 416

S5(1A)(b)(ii), 416

S5(2), 420, 617

S5(2)(a), 94, 413, 415, 560

S5(2)(c), 55, 413, 419

S5B(2), 414

S5B(4), 415

S7, 164

S7(1), 150, 353

S8, 222, 413, 597

S8(1), 340, 344, 385, 403

S8(1)(a), 347

S8(1A), 344, 348, 385

S8(1A)(a), 344  
S8(1A)(b), 347, 379  
S8(1A)(b)(ii), 348  
S8(1A)(c), 344, 345, 348, 379, 380, 394  
S8(1B), 348  
S8(2), 362  
S8(4)(b), 355, 363  
S8(5), 350, 355  
S9, 349, 351, 362  
S9(1), 366  
S9(1)(a), 349, 351, 356, 403  
S9(1)(a)(iv), 403  
S9(1)(b), 351  
S9(1)(c), 383  
S9(1)(d), 364  
S9(1A)(a), 387  
S9(1A)(b), 355  
S9(2), 356  
S9(2)(a), 14  
S9(2)(b), 356  
S9(2A), 352  
S9(2A)(b), 352  
S9(2A)(c), 361  
S9(3), 348  
S9A, 56, 62, 63, 346, 396, 505, 510, 520, 521, 522, 567  
S9A(1), 520, 521, 522  
S9A(3), 520, 521, 522  
S9A(3)(a), 522  
S9A(4), 520, 521  
S9A(7)(b), 521  
S10, 369  
S10(2), 345, 378  
S11B, 375  
S11D, 375  
S11D(a), 375, 403  
S11D(b), 375  
S12(1)(a), 356, 403, 521  
S12(1)(b), 184, 356  
S12(5), 184  
S14, 13, 63, 91, 96, 97, 109, 113, 115, 124, 126, 127, 157, 198, 235, 246, 248, 257, 258, 266, 282,  
295, 316, 414, 513, 524, 563, 633  
S14(1), 125, 126, 130, 216, 224, 229, 236, 684  
S14A, 120, 126  
S14A(1)(a), 117, 118  
S14A(1)(b), 117, 118  
S14A(4), 40, 117  
S14B, 117, 222  
S15, 91, 258  
S15(1), 14, 102, 126  
S15(1)(a), 41, 99, 107, 113, 283, 313, 315, 505, 530, 659  
S15(1)(b), 41, 99, 107, 113, 115, 116, 154, 258, 283, 313, 315, 316, 505, 530, 659  
S15(1)(ba), 41, 99, 107, 113, 116, 283, 313, 315, 316, 505, 530, 659  
S15(1)(c), 116, 530  
S15(1)(d), 107, 313, 315, 659  
S15(1)(f), 116, 119, 138, 280  
S15(1)(g), 119, 138  
S15(1)(h), 165

S15(1)(i), 106, 138, 214, 216, 257  
 S15(1)(j), 116, 138  
 S15(1)(k), 138  
 S15(1)(l), 98, 138, 214, 216, 246  
 S15(1)(m), 266, 505, 526  
 S15A, 126, 266, 505, 526  
 S15A(1), 526  
 S15C, 126, 127, 562  
 S15D, 200  
 S15D(1), 200  
 S15D(2), 200  
 S15E, 16, 120, 121, 308  
 S15E(1), 120, 121  
 S15E(2), 121  
 S15E(3), 121  
 S15E(4), 121  
 S15E(5), 121  
 S15E(8), 121  
 S16, 148, 200, 218, 236, 268, 269, 272, 276, 420, 511, 514, 516, 572, 665, 666, 668  
 S16(1), 13, 116, 135, 136, 138, 139, 165, 199, 200, 268, 271, 287, 506, 514, 517, 521, 523, 561, 570  
 S16(1)(a), 119, 135, 138, 140, 142, 143, 145, 146, 147, 171, 269, 271, 273, 286, 287, 297, 560  
 S16(1)(b), 138, 287  
 S16(1)(c), 138, 215, 287  
 S16(1)(d), 138, 200, 215, 287  
 S16(1)(d)(i), 116, 139, 284  
 S16(1)(d)(ii), 116  
 S16(1)(e), 138, 287  
 S16(1)(f), 138, 182, 183, 287  
 S16(1)(g), 139, 287, 564  
 S16(1)(ga), 139, 287  
 S16(1)(h), 135, 139, 287  
 S16(2), 138, 140, 142, 195, 269, 287, 297, 505, 527, 561  
 S16(2)(a), 142  
 S16(2)(b), 142  
 S16(2)(c), 119, 142, 143, 145, 271, 286  
 S16(2)(d), 119, 142, 143, 145, 147, 286, 561  
 S16(2)(e), 119, 142, 143, 145, 286  
 S16(2)(f), 142, 146, 171  
 S16(2)(f)(iii), 297  
 S16(2A), 119, 138, 142, 147, 195, 286, 287, 505, 527  
 S16(2B), 142, 145, 147, 195, 297, 505, 527  
 S16(2C), 142, 146, 147, 171, 173, 195, 297, 505, 527  
 S16(2D), 142  
 S16(2E)(c), 145, 146  
 S16(2F)(c), 146  
 S16(2G), 138, 297  
 S16(2H), 287, 297  
 S16(3), 141  
 S16(3A), 141  
 S16A, 148, 150, 165, 167, 287, 535  
 S16A(3), 150  
 S16AA, 139, 148, 166, 208, 288  
 S16B, 139, 140, 148, 151, 157, 182, 288  
 S16B(1), 116, 284  
 S16B(1)(b), 184  
 S16B(3), 116

S16B(4), 151  
S16B(6)(b), 151  
S16C, 139, 148, 149, 152, 288, 366  
S16D, 148, 149, 288  
S16E, 25, 139, 148, 149, 153, 154, 158, 194, 287, 288, 505, 564  
S16E(1), 116, 153, 156, 284  
S16E(1A), 153  
S16E(2), 153  
S16E(3), 116, 153  
S16E(3)(b), 153  
S16E(3A), 153  
S16E(4), 153  
S16E(4)(b), 158  
S16E(7), 153  
S16E(8), 153, 505, 527  
S16E(9), 153  
S16EA, 25, 139, 148, 149, 153, 154, 157, 287, 288, 505, 564  
S16EA(2), 116, 155, 156, 284  
S16EA(3), 155, 158, 159, 160  
S16EA(4), 155  
S16EA(5), 155  
S16EA(6)(a), 155  
S16EA(6)(b), 155  
S16EA(6)(c), 155  
S16EA(6)(d), 155  
S16EA(7), 155  
S16EA(9), 156, 527  
S16EA(10), 155  
S16EA(11), 155  
S16EA(13), 155  
S16EB(2), 116  
S16EB(2)(a), 156  
S16EB(2)(b), 156  
S16EB(2)(c), 156  
S16EB(3), 156  
S16EC, 148, 149, 157, 505, 527  
S16EC(1), 157, 528  
S16EC(2), 153, 154, 155, 156, 157, 527  
S16EC(4)(a), 157, 527, 528  
S16EC(4)(b), 157, 158, 159, 160, 528  
S16EC(4)(c), 157, 528  
S16EC(5), 158, 528  
S16EC(6), 158, 528  
S16EC(8), 113, 153, 155, 157  
S16F, 139, 148, 149, 160, 287, 289  
S16F(5), 161  
S16G, 78, 139, 140, 148, 149, 182, 183, 184, 287, 289, 535  
S16G(1), 117, 284  
S16G(3), 117  
S16G(3)(a), 161  
S16G(3)(c), 161, 505, 563  
S16G(6), 140, 192, 535  
S16H, 148, 149, 150, 162, 182, 184, 289  
S16H(1), 140, 163  
S16H(2), 163  
S16I, 139, 140, 287  
S16I(2), 117, 162, 284

S16I(3), 117, 162, 284  
S16I(4), 162  
S16J(2), 117, 162  
S16J(2A), 117, 162  
S16J(3), 117, 162  
S16J(5B), 162  
S16J(5C), 162  
S16J(5D), 162  
S16J(5E), 162  
S16K, 148, 149, 150  
S16K(1), 162, 164  
S16K(3), 162, 164  
S16K(4), 163  
S16K(6), 163  
S16K(7), 164  
S17, 127, 136, 148, 200, 218, 270, 287, 514, 516, 668  
S17(1), 138, 666  
S17(1)(a), 164  
S17(1)(a)(ii), 151  
S17(1)(b), 164, 514, 517  
S17(1)(c), 156, 164, 165, 199, 276, 297, 512, 561  
S17(1)(d), 164  
S17(1)(e), 164  
S17(1)(f), 164  
S17(1)(g), 164, 199  
S17(1)(h), 164, 165, 199  
S17(1)(i), 164, 165  
S17(1)(j), 136, 164, 165  
S17(1)(k), 164, 166  
S17(1)(l), 165  
S17(2), 165  
S17(2)(d)(iii), 151  
S18, 150, 353  
S18B, 126  
S18B(1), 201  
S18B(2), 201, 202, 203, 298  
S18C(1)(a), 201, 202  
S18C(1)(b), 202, 298  
S18C(2), 202, 204  
S18D(1), 203  
S18D(2), 203  
S18D(2A), 203, 505, 528  
S18D(5), 204  
S18E, 510  
S18E(1), 204, 299  
S18E(1)(a), 204  
S18E(1)(b), 204  
S18E(2)(b), 205  
S18E(3), 207  
S18F, 184  
S18F(1), 117  
S19, 13  
S19(16), 120  
S19(1E), 17  
S19C, 330, 519  
S19C(1), 195, 210, 299  
S19C(2), 195, 211, 212

S19C(3), 210, 211, 212  
S19C(4), 21, 56, 156, 158, 179, 195, 211, 297, 299  
S19C(5), 21, 195, 211, 212  
S19C(6), 56  
S19C(6)(a), 210  
S19C(6)(b), 210  
S19C(7), 56  
S19CA, 118  
S19CB, 118  
S19D, 126  
S19D(1), 210  
S20, 313, 322, 323, 505, 528, 529, 552, 666, 668  
S20(1), 529  
S20(1)(a), 529  
S20(1)(b), 529  
S20(2), 528, 529  
S20A, 313, 314, 330, 530  
S20A(2), 323  
S20A(3), 323  
S20AA, 16, 102, 313, 322  
S20AA(1), 319  
S20AA(6), 322  
S20AB, 313  
S20AB(2), 324  
S20AB(3), 313, 324  
S20AB(9), 327  
S20AC, 313, 323  
S20AC(2), 324  
S20AC(3), 324  
S20AC(4), 323  
S20AD, 313, 326  
S20AE, 40, 313, 529  
S20AE, 505  
S20AE(1), 529  
S20AE(4), 326  
S20AE(8), 326  
S20AE(9), 328  
S20B, 154, 313, 314, 315, 318, 330  
S20B(1), 318  
S20B(2), 318, 319  
S20B(3), 116, 318, 319  
S20B(4), 317  
S21, 114, 216, 283, 313, 314, 319  
S21A, 113, 116, 258, 313, 316, 505, 530, 659  
S21A(1)(a), 116, 154, 659, 672  
S21A(1)(b), 116, 154  
S22A, 208  
S22A(1), 210, 211  
S22A(3)(a), 211  
S22B, 16, 21, 505, 530, 531  
S22B(1), 530  
S22B(2), 530  
S22B(3), 530  
S22C, 211  
S23, 223  
S23(1)(a), 217  
S23(1)(b), 218



S23(4)(a), 218, 219  
S23(4)(b), 218  
S23(9), 217  
S23A, 223, 280  
S23A(1), 220, 221, 222  
S23A(2), 117, 220, 221, 222  
S23AA, 223  
S23B, 107, 223, 224  
S23B(1)(a), 223  
S23B(1)(b), 223  
S23B(2), 223, 228, 331, 653  
S23B(3), 224  
S23B(4), 224  
S23B(5), 224  
S23B(6), 223  
S23C, 107, 229, 231, 233, 234  
S23C(1), 281  
S23C(1)(a), 229  
S23C(1)(b), 229  
S23C(2), 229  
S23C(4)(a), 230  
S23C(5), 230  
S23D(2), 233  
S23D(4), 234  
S23D(5), 233  
S23E, 107, 230  
S23E, 225  
S24, 17  
S24(1), 13, 235, 236, 237  
S24(2), 236, 282  
S24(3), 235  
S25, 94, 155, 195, 199, 238, 415, 419, 617  
S26(a), 221  
S26A(1A)(a), 120  
S26A(1A)(i), 145  
S26A(2), 120  
S26C, 17  
S26D, 17  
S26E(9), 369  
S26F, 368, 438  
S30(1), 373  
S30(1A), 373  
S30A(1), 373  
S33A, 175, 179, 181  
S33A(2), 179  
S33A(4), 179  
S33A(4)(a), 180  
S34, 174, 175, 181  
S34(1), 174, 175  
S34(2), 174, 175  
S34(2)(a), 174  
S35, 174, 175, 179  
S35(1), 174  
S35(2)(a), 175  
S35(2)(b)(i), 175  
S35(2)(b)(ii), 175  
S35(3)(a), 175

S35A, 174  
S35B, 179  
S35B(a), 177  
S35B(b), 177, 178  
S35B(b)(i), 177, 181  
S35B(b)(ii), 178, 297  
S36A(2), 185  
S37, 191  
S37(2), 185  
S37(4), 187  
S37(5), 187  
S37A, 191  
S37A(1A), 185  
S37A(2), 185  
S37A(3), 185  
S38(1), 185, 186  
S38(4), 187  
S38A, 188, 563  
S38B, 505, 531, 563  
S39, 188, 191  
S39(a), 188  
S39(b), 188  
S39A, 186  
S39B, 191  
S39B(1), 184  
S39B(2), 184  
S39B(4)(e), 128  
S39B(7), 187  
S39B(8), 187  
S39C(1)(a), 185  
S39C(1)(b), 186  
S39C(2), 186  
S39C(3), 185  
S39D, 185  
S39D(3), 187  
S39D(4), 187  
S39D(5), 187  
S39E, 16, 62, 107, 188, 191, 192, 505, 532, 533, 535, 536, 538  
S39E(1)(a), 157, 528, 533  
S39E(1)(b), 157, 528, 534  
S39E(1)(b)(i), 158, 191, 192, 535  
S39E(1)(c), 534  
S39E(2), 533  
S39E(5), 113, 532  
S40, 565  
S40(1), 133, 172, 174, 175, 179, 184, 189, 207  
S40(2), 174, 200  
S41(1), 14  
S41(4), 14, 313  
S45, 526  
S47, 155  
S49, 23, 228, 232, 653, 660  
S50, 666  
S50(3), 663  
S50(5), 663  
S51(1), 38, 42, 56, 57, 58, 67, 419  
S51(2), 57, 58, 419, 589

S51(2A), 56, 57, 58  
 S51(3), 55  
 S51(4), 53, 596, 618  
 S51(4)(a), 67  
 S51(4B), 57  
 S51(6), 55, 419  
 S51(7), 55  
 S51(8), 55, 419  
 S51A(1), 55  
 S51B, 54, 596  
 S51C, 15, 56, 79, 583, 592, 596, 599, 603, 619, 622, 667  
 S51C(1), 597  
 S51D, 419, 597  
 S51D(1), 55, 597  
 S51D(2), 597  
 S52(1), 55  
 S52(2), 41, 55  
 S52(4), 55, 56  
 S52(5), 56  
 S52(6), 52, 56  
 S52(7), 56  
 S54(b), 42  
 S56A, 419  
 S56A(1), 419  
 S56A(2), 419  
 S57(3)(b), 350, 352, 355  
 S58, 70  
 S58(2), 37, 59, 70  
 S59, 42  
 S59(1), 42, 68  
 S59(2)(b), 70  
 S59(3), 44, 68, 630  
 S60, 42, 43, 58, 75, 258, 316  
 S60(1), 42  
 S61, 16, 124, 379, 505, 506, 507, 508, 509, 510, 511, 521, 523, 524, 536, 572, 666, 668  
 S61(2), 511  
 S61/61A, 536  
 S61A, 12, 16, 62, 124, 274, 276, 379, 505, 506, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517,  
 523, 526, 536, 552, 566, 572, 666, 668  
 S61A(1), 508, 513, 515  
 S61A(2), 513, 515  
 S61A(2)(a), 508, 514, 515  
 S61A(2)(b), 509, 512, 515  
 S61A(3), 509, 510  
 S61B, 16, 21, 62, 505, 518, 519, 527, 561  
 S62, 43, 59  
 S63, 37, 44, 72  
 S63(J), 635  
 S64, 75  
 S64(1), 314, 630, 631  
 S64(2), 55, 631, 632  
 S65, 10  
 S66, 633, 637, 638, 641  
 S66(1), 647  
 S66(1A), 70, 71  
 S67(1), 48  
 S68(4), 61

S68(6), 55  
S70, 14, 43, 74, 75, 378, 418, 432  
S70A, 14, 49, 68, 69, 75, 78, 625, 633, 634, 665  
S70A(1), 43  
S70AB, 313, 323  
S71, 64, 72, 619  
S71(5), 64  
S71(6), 65  
S75, 68, 76  
S75(4), 65, 72  
S76, 68  
S76(1), 65  
S76(3), 56  
S79, 665  
S79(3), 313, 330  
S80, 57, 80, 595, 602  
S80(1), 56, 59, 591  
S80(1)(c), 597  
S80(1A), 57, 80, 591, 596  
S80(1AA), 56, 520  
S80(1AC), 56  
S80(2), 58, 59, 79, 80, 536, 591, 602  
S80(2)(a), 593, 602, 603  
S80(2)(d), 57  
S80(2)/82A(1), 536  
S80(2A), 57  
S80(4), 595, 602  
S80(5), 79, 80, 589, 593, 602  
S82, 58, 79  
S82(1), 58, 59, 70, 79, 80, 81, 536, 591, 595, 602  
S82(1)(a), 602  
S82(1)(b), 71  
S82(1)(d), 71, 602  
S82(1)(g), 71, 602  
S82(1A)(a), 593, 602  
S82(1A)(b), 593, 602  
S82(2), 70, 80, 593, 602  
S82A, 9, 51, 58, 59, 60, 69, 70, 71, 73, 588, 591, 593, 601, 602, 603, 637, 639, 640  
S82A(1), 536  
S82A(1)(ii), 69  
S82A(4), 59, 60, 70, 71, 640, 641  
S82B, 60, 70, 71, 637, 639, 640, 641  
S82B(2), 60  
S87, 119  
S87(5)(b), 155  
S88, 133, 152, 261, 263, 264, 367  
S88A, 62, 111, 567, 637  
S88B, 66

**Inland Revenue Rules, 5,9**

IRR 2, 290  
 IRR 2A, 135  
 IRR 2B, 135  
 IRR 2C, 135  
 IRR 5, 313, 314  
 IRR 5(2)(a), 545  
 IRR 5(2)(b), 545  
 IRR 5(2)(d), 546

**Insurance Companies Ordinance, 217, 222****Interpretation and General Clauses Ordinance (IGCO), 13****Leveraged Foreign Exchange Trading Ordinance (repealed), 324****Mandatory Provident Fund Scheme Ordinance, 353, 363****Occupational Retirement Schemes Ordinance (ORSO), 150, 350, 352, 353, 355****Revenue (Abolition of Estate Duty) Ordinance 2005, 5****Securities and Futures Ordinance (SFO), 119, 139, 146, 285, 319, 320, 324, 742, 797****Securities Ordinance (repealed), 324****Stamp Duty Ordinance (SDO)**

Stamp Duty Ordinance (SDO), 5, 8, 17, 449, 501, 506  
 S1(1AA), 461  
 S1(1B), 461  
 S2, 458, 464  
 S2(1), 455, 456, 467, 469, 470, 488  
 S3, 455  
 S9, 476, 477, 479  
 S9(1E), 494  
 S13(1), 477  
 S13(2), 467  
 S14, 466, 478, 479, 488  
 S14(1C), 480  
 S14(5A), 479  
 S15(1), 479  
 S15(1)(d), 466  
 S15(1A), 479  
 S15(2), 480  
 S18(2), 454  
 S19, 449, 480  
 S19(1), 467  
 S19(11), 468  
 S19(16), 467, 468  
 S19(1E)(a), 468  
 S19(1E)(b), 468  
 S21, 458  
 S22(1), 451  
 S22(2), 451  
 S23, 454  
 S24, 452, 453

## Taxation

S24(1), 451, 452, 453  
S24(2), 452, 453, 478  
S24(3), 452, 453  
S25(7), 456  
S27, 470, 471, 472, 478  
S27(1), 471, 488  
S27(4), 453, 470, 471, 472, 488  
S27(5), 468, 471, 472  
S27(6), 470  
S29, 456  
S29A(1), 458  
S29A(2), 458  
S29B(1), 459  
S29B(5), 457, 459  
S29B(6), 459  
S29C(10), 463, 483  
S29C(5A)(a), 461  
S29C(5A)(b), 461  
S29C(5AA), 464  
S29C(5B), 461  
S29CA, 461, 464  
S29D(2)(a), 459  
S29D(4), 460  
S29D(5), 460  
S29DA, 461, 464  
S29F, 463, 483  
S29G, 459  
S29H(3), 473  
S39, 472  
S44, 478  
S45, 466, 467, 469, 473, 474, 478, 481, 482, 484, 485, 488, 489  
S45(1), 475  
S45(2), 475  
S45(4)(a), 474, 475  
S45(4)(c), 474  
S45(5A), 474, 475, 480  
S46, 472  
S47A, 472, 475  
S47B, 472, 475  
S48, 464  
S52, 476  
S59, 471  
S63, 469  
S68, 463  
S88, 473

**Stamp Duty (Amendment) Ordinance 2011, 449**

**Tax Reserve Certificates Ordinance, 8, 9, 64**

## PRC Legislation, Regulations, Rules and Notices

### Administrative

Administrative Law on Levying and Collection of Taxes (ALLCT), 694

Article 32, 694

Article 51, 695

Article 52, 694

Regulation on Implementation of Administration of Tax Collection (RIATC), 694

Taxation Administration Review Regulations, 695

### Business Tax

Provisional Regulations of Business Tax of the People's Republic of China (PRBT), 696

Article 1, 763

Article 5, 702

Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Business Tax (PRBTIR), 696

Article 2, 696, 763

Article 6, 699

Article 7, 699

Article 8, 700

*Caishui (2003)* 16, 702

*Caishui [2006]* 114, 702

*Caishui [2009]* 114, 697

*Guoshuihan (2005)* 83, 702

### Consumption Tax

Provisional Regulations on Consumption Tax of the People's Republic of China (PRCT), 712

Article 1, 714

Article 6, 714

Detailed Rules for the Implementation of the Provisional Regulations on Consumption Tax of the People's Republic of China (PRCTIR), 712

Article 2, 714

Article 14, 714

### Corporate Tax

#### Corporate Income Tax Law (CITL), 722

Article 3, 723

Article 5, 722

Article 8, 723

Article 9, 723

Article 28, 722

Article 37, 724

Article 54, 724

**Corporate Income Tax Implementation Rules (CITIR), 722**

Article 2, 722  
Article 59, 723  
Article 91, 723  
Article 92, 722  
Article 103, 724  
Article 105, 724  
Article 129, 724

**Income Tax**

**Individual Income Tax Law (IITL), 718**

Article 1, 718  
Article 2, 719

**Individual Income Tax Implementation Regulations (IITIR), 718**

Article 2, 718  
Article 3, 720  
Article 36, 721

Public Notice [2012] No. 16, 719

**Value-added Tax**

Provisional Regulation on Value-added Tax of the People's Republic of China (PRVAT), 704

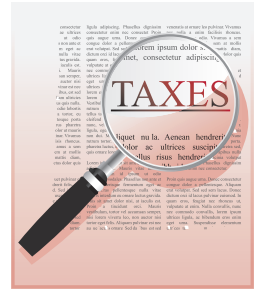
Article 1, 705, 707  
Article 2, 705, 709  
Article 9, 707  
Article 15, 710

Detailed Rules for the Implementation of the Provisional Regulation on Value-added tax of the People's Republic of China (PRVATIR), 704

Article 3, 706  
Article 4, 706  
Article 5, 706  
Article 7, 707  
Article 28, 708  
Article 35, 710

Provisions for the use of Special Invoices of Value-added Tax (VATIP), 704





# Table of cases

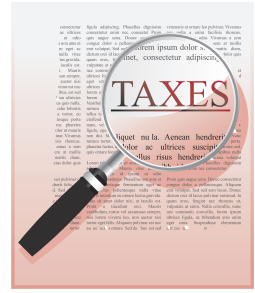


<i>Aberdeen Restaurant Enterprises Ltd</i> .....	173
<i>Ahn Sang Gyun</i> .....	73, 391
<i>All Best Wishes Ltd</i> ..	129, 131, 132, 241, 260
<i>American Leaf Blending Co. Sd Bhd v Director General of Inland Revenue</i> ....	110
<i>Ammonia Soda Co Ltd v Chamberlain</i> .....	127, 133
<i>AP Fahy (1992) 1 HKRC 90-062</i> .....	168, 243, 267, 270
<i>Arrowtown Assets Limited</i> .....	481, 482, 501, 506
<i>Asia Master Ltd v CIR</i> ....	509, 510, 539, 550, 552
<i>Asia Securities International Ltd</i> .....	138, 168, 243, 267, 269
<i>Associated Portland Cement Manufacturers Ltd v Kerr</i> .....	134
<i>Atherton v British Insulated &amp; Helsby Cables Ltd</i> .....	133
<i>Aust-Key Co Ltd</i> .....	241, 260, 261
<i>Aviation Fuel Supply Company</i> .....	242, 266
<i>Ball v Johnson</i> .....	351
<i>Bank of India</i> .....	102, 216, 239, 245, 279
<i>Banque National De Paris Hong Kong Branch</i> , 136, 168, 216, 243, 267, 269, 279	
<i>Barclays Bank Limited v Naylor</i> .....	351
<i>Barclays Merchantile Business Finance Limited v Mawson</i> .....	502
<i>Barr Crombie &amp; Co Ltd v CIR</i> .....	128
<i>Beak v Robson</i> .....	351
<i>Beautiland Co Ltd</i> .....	132, 241, 260
<i>Birmingham &amp; District Castle By-Products Co Ltd v. IRC</i> .....	201
<i>BP Australia Ltd v FCT</i> .....	127
<i>Brand Dragon Ltd (in members' voluntary liquidation) and Harvest Island International Ltd (in members' voluntary liquidation)</i> .....	130, 132, 241, 260
<i>Bullcroft Main Collieries Ltd v O'Grady</i> ...	134
<i>C G Lighting Limited</i> .....	104, 240, 248, 249
<i>Calvert v Wainwright</i> .....	351
<i>Cameron v Prendergast</i> .....	351
<i>Canton Industries Ltd</i> .....	169, 244, 267, 276
<i>Cape Brandy Syndicate v IRC</i> .....	92
<i>Carlingford Life and General Assurance Co Ltd and Carlingford Insurance Co Ltd</i> .....	222, 280
<i>Central Enterprises Ltd</i> .....	132, 241, 260
<i>Chan Chun Chuen v. CIR</i> .....	76
<i>Chan Li Chai Medical Factory (Hong Kong) Ltd v Collector of Stamp Revenue</i> .....	471
<i>Chan Min Ching (Chan Min Ching trading as Chan Siu Wah Herbalist Clinic)</i> .....	71
<i>Chanway Investment Co Ltd</i> ...	132, 241, 260
<i>Charles C.Y. Cheng</i> .....	70
<i>Cheung Wah Keung</i> ..	94, 95, 506, 507, 509, 510
<i>Chia Tai Conti – Hong Kong Ltd</i> .....	72
<i>China Map Ltd &amp; Others</i> , 133, 242, 260, 262	
<i>Chinachem Finance Co Ltd</i> ...	168, 243, 267, 270
<i>Chinachem Investment Co Ltd</i> 132, 241, 260	
<i>Chu Fung Chee</i> .....	139, 169, 244, 267, 273
<i>Chu R. Y.</i> .....	74
<i>Chun Yuet Bun trading as Chong Hing Electrical Company</i> .....	68
<i>Church Body of the Hong Kong Sheng Kung Hui</i> .....	133, 242, 261, 263
<i>CIR v Aberdeen Restaurant Enterprises Ltd</i> .....	183
<i>CIR v Alexander von Glehn &amp; Co Ltd</i> ....	139
<i>CIR v Asia Television Ltd</i> .....	314
<i>CIR v Bartica Investment Ltd</i> .....	110
<i>CIR v Choon Nang Electrical Appliance Manufactory Limited</i> .....	76
<i>CIR v Hang Seng Bank Ltd</i> .....	96, 215, 216, 243, 267, 268, 279
<i>CIR v Humphrey</i> .....	365, 383, 403
<i>CIR v Lever Brothers &amp; Unilever Ltd</i> .....	98
<i>Clough Engineering Ltd v FCT</i> .....	516
<i>Cohan's Executors v IRC</i> .....	93
<i>Commissioner of Taxation (NSW) v Hillsdon Watts Ltd</i> .....	246
<i>Commissioner of Taxation v British United Shoe Machinery (SA) (Pty) Limited</i> .....	107
<i>Common Empire Ltd</i> ..	43, 75, 132, 242, 260, 261
<i>Conesco Trading Co Ltd</i> ..	102, 104, 240, 245, 247
<i>Cosmotron Manufacturing Company Ltd</i> .....	136, 137, 167, 168, 243, 267, 271
<i>County Shipping Co Ltd</i> ..	140, 168, 243, 267, 269
<i>Crawford Realty Ltd</i> .....	132, 241, 260
<i>Datatron Limited</i> .....	104, 240, 248, 249
<i>David Hardy Glynn</i> .....	351, 385
<i>De Beers Consolidated Mines Ltd v Howe</i> ..	95
<i>Dodge Knitting Co. Ltd, Dodge Trading Ltd</i> .....	69
<i>Douglas Henry Howe</i> .....	507
<i>Dr Chang Liang Jen</i> .....	132, 241, 260
<i>Elliott, S.W.G.</i> .....	387
<i>Emerson Radio Corporation</i> ..	107, 113, 258, 315
<i>Euro Tech (Far East) Ltd</i> ..	102, 239, 245, 246
<i>Extramoney Limited</i> .....	69
<i>Exxon Chemical International Supply S.A.</i> .....	102, 239, 245
<i>Fall v Hitchen</i> .....	346
<i>Far East Exchange Ltd</i> .....	238, 282
<i>FC of T v Patcorp Investments Ltd</i> .....	501
<i>FC of T v Spotless Services Ltd &amp; Anor.</i> ..	515
<i>Federal Commissioner of Taxation of the Commonwealth of Australia v Peabody</i> .....	514

<i>Fergusson v Noble</i> .....	351	<i>Kong Tai Shoes Manufacturing Company Limited</i> .....	76
<i>Fleming v Bellow Machine Co Ltd</i> .....	296	<i>Koon Wing Yee v. Insider Dealing Tribunal</i> .....	61, 73
<i>Franco Tong Siu Lun</i> .....	389	<i>Kowloon Stock Exchange</i> .....	236, 238, 282
<i>Fuchs, Walter Alfred Heinz</i> .....	351, 390	<i>Kum Hing Land Investment Co Ltd</i> .....	507
<i>Furniss v Dawson</i> .....	501	<i>Kwok Siu Tong</i> .....	70
<i>Gallagher v Jones</i> .....	192	<i>Kwong Mile Services Limited</i> ..	97, 109, 112, 240, 248, 259
<i>General Garment Manufactory (Hong Kong) Ltd</i> .....	168, 243, 267, 270	<i>Lam Soon Trademark Limited</i> ..	43, 107, 240, 258, 315, 316
<i>General Reversionary &amp; Investment Co Ltd v Hancock</i> .....	134	<i>Lam Ying Bor Investment Co. Ltd</i> .....	67
<i>George Andrew Goepfert</i> .....	385	<i>Lap Shun Textiles Industrial Co Ltd</i>	471, 488
<i>Glenboig Union Fireclay Co Ltd v CIR</i> ....	128	<i>Law Shipping Co Ltd v CIR</i> .....	134
<i>Great Western Railway Co v Bater</i> .....	345	<i>Lee Sap Pat</i> .....	68
<i>Green v J. Gliksten &amp; Son Ltd</i> .....	128	<i>Lee Yee Shing Jacky and Yeung Yuk Ching</i> .....	74, 133, 242, 261, 262
<i>Grollo Nominees Pty Ltd v FCT</i> .....	516	<i>Li &amp; Fung (Trading) Limited</i> ...	105, 168, 240, 243, 251, 255, 267, 268
<i>Hang Seng Bank</i> 96, 98, 102, 112, 198, 216, 239, 243, 245, 246, 279, 295, 557, 684, 737, 740, 748, 762, 781, 785		<i>Lionel Simmons Properties Ltd</i> .....	129, 131
<i>Harland v Diggines</i> .....	351	<i>Littlewoods Mill Order Stores v McGregor</i> ....	470
<i>Harley Development Inc &amp; Anor</i> .....	73, 420	<i>Lo and Lo</i> .....	13, 136, 168, 243, 267, 268
<i>Heaton v Bell</i> .....	351	<i>Lo Tim-fat</i> .....	95
<i>Henry J Walton Masters</i> .....	384	<i>Loganathan Suresh Babu</i> .....	71
<i>HIT Finance Ltd and HK International Terminals Ltd</i> .....	169, 244, 267, 274, 506, 509, 515	<i>London and Thames Haven Oil Wharves Ltd v Attwooll</i> .....	128
<i>HK-TVB International Ltd</i> ..	97, 107, 112, 239, 258, 557	<i>Louis Kwan Nang Kwong &amp; Anor</i> ....	414, 420
<i>Hochstrasser v Mayes</i> .....	351	<i>Maclaine &amp; Co v Eccott</i> .....	97
<i>Hong Kong &amp; Whampoa Dock Co Ltd</i> ....	105, 239, 251	<i>Macquarie Securities Ltd (formerly known as ING Baring Securities (HK) Limited)</i> ...	105, 251
<i>Hong Kong Flour Mills Ltd</i> .....	37, 72	<i>Magna Industrial</i> .....	102, 239, 245, 247, 295
<i>Hong Kong International Terminals cases</i>	506	<i>Malaysian Airline System Berhad</i> ..	128, 210, 213, 235, 266, 278
<i>Hong Kong Oxygen &amp; Acetylene Co Ltd</i>	132, 241, 260, 261	<i>Marson v Morton</i> .....	129
<i>Hughes v British Burmah Petroleum Co Ltd</i> .....	134	<i>Martin v Lowry</i> .....	92
<i>Hui King-yin</i> .....	132, 242, 260	<i>Mayland Woven Labels Factory Ltd</i> .....	67
<i>Indosuez W I Carr Securities Limited</i>	73, 105, 240, 251, 252	<i>McKnight v Sheppard</i> .....	139
<i>ING Baring Securities (Hong Kong) Limited</i> .....	97, 240, 248, 249, 253, 255, 557	<i>Mclaurin v FC of T</i> .....	128
<i>International Wood Products Ltd</i> ....	105, 239, 251, 252	<i>Mitchell v B.W. Nobles Ltd</i> .....	134
<i>IRC v Duke of Westminster</i> .....	500	<i>Moulin Global Eyecare Trading Limited (In Liquidation)</i> .....	75, 76
<i>IRC v Maxse</i> .....	94	<i>Mrs Murad, Barbara Ellen, Mrs Ward, Mona Frances, Mr Murad, Mark Basiem and Mr Strickroot, John Carl, the executors of the estate of the late Mr Murad, Mike M (formerly known as Mr Murad, Mohammad Mutaz)</i> .....	351, 392
<i>IRC v McGuckian</i> .....	501	<i>Mui Y.F. or otherwise known as Moy Yick Fong</i> .....	67
<i>IRC v Scottish &amp; Newcastle Breweries</i> ...	183	<i>Mutual Investment Co Ltd</i> .....	135
<i>John Smith &amp; Son v Moore</i> .....	134	<i>Nam Tai Group Management Limited</i> .....	76
<i>Johnston v Heath</i> .....	92	<i>National Mutual Centre (HK) Ltd</i> ....	168, 243, 267, 271
<i>Jones &amp; Co (Davonvale) Ltd v CIR</i> .....	134	<i>Nchanga Consolidated Copper Mines Ltd</i> .....	133
<i>Kaifull Investments Ltd</i> .....	132, 242, 260		
<i>Karsten Larssen &amp; Co (HK) Ltd</i>	105, 239, 251		
<i>Kelsall Parson &amp; Co v CIR</i> .....	128, 296		
<i>Kim Eng Securities (Hong Kong) Ltd</i> ....	105, 106, 240, 251, 254, 557		
<i>Kinco Investment Holding Ltd v CIR</i> .....	75		

<i>Ngai Lik Electronics Co Ltd</i> ....	249, 509, 512, 550
<i>Nice Cheer Investment Limited</i> .....	122, 124, 170, 171, 193, 242
<i>Oakey Abattoir Pty Ltd v FC of T</i> .....	501
<i>Odeon Associated Theatres Ltd v Jones</i>	134
<i>Orion Caribbean Ltd</i> .....	106, 239, 257
<i>Overseas Textiles Ltd</i> ....	168, 200, 243, 267, 269
<i>Patcorp Investments</i> .....	501
<i>Peter Leslie Page</i> .....	386
<i>Petrotim Securities Ltd</i> .....	122
<i>Quitsubdue Limited</i> .....	124, 130, 165
<i>R v. Charlton and others</i> .....	595
<i>Radofin Electronics (Far East) Ltd and another</i> .....	71
<i>Real Estate Investments (NT) Ltd</i> ..	133, 242, 261, 262
<i>Richfield International Land and Investment Co Ltd</i> .....	132, 241, 260
<i>Rico Internationale Ltd</i> .....	507
<i>Robert P Burns</i> .....	365, 383
<i>Robert P Williamson</i> .....	383
<i>Robertshaw, R Jesse</i> .....	387
<i>Rutledge v CIR</i> .....	92
<i>S. C. Sawhney</i> .....	387
<i>Sanford Yung-Tao Yung</i> .....	152, 367
<i>Scottish &amp; Newcastle Breweries</i> .....	183
<i>Secan Ltd and Ranon Ltd</i> ....	136, 137, 168, 169, 193, 243, 267, 271, 272
<i>Seymour v Read</i> .....	351
<i>Sharkey v Wernher</i> ..	89, 122, 123, 124, 130, 194
<i>Shelcore Hong Kong Ltd</i> .....	68
<i>Shiu Wing Ltd and Others c CED</i> .....	506
<i>Short Bros Ltd v CIR</i> .....	128, 296
<i>Shui On Credit Co Ltd</i> ....	169, 244, 267, 275, 509, 512
<i>Simmons v IRC</i> .....	129, 131
<i>Sin Chun Wah</i> .....	365, 384
<i>Sincere Insurance and Investment Co Ltd</i> .....	132, 170, 221, 222, 241, 260, 280
<i>Sinolink Overseas Co Ltd</i> .....	102, 239, 245
<i>Sit Kwok Keung</i> .....	386
<i>Smidth &amp; Co V Greenwood</i> .....	97
<i>So Chak Kwong, Jack</i> .....	384
<i>So Kai Tong Stanley trading as Stanley So &amp; Co v CIR</i> .....	168, 244, 267, 273, 508
<i>Southtime Ltd v CIR</i> .....	127, 132, 242, 260
<i>Stanley So &amp; Co</i> .....	507
<i>Stanwell Investments Ltd</i> .....	132, 242, 260
<i>Strong &amp; Co of Romsey v Woodfield</i> .....	137
<i>Stuart Investments Ltd v R</i> .....	501
<i>Studebaker Corporation of Australia Limited v Commissioner of Taxation for New South Wales</i> .....	106
<i>Sun Yau Investment Co. Ltd</i> .....	49, 68
<i>Swire Pacific Ltd</i> ....	137, 168, 243, 267, 268
<i>Tai Hing Cotton Mill (Development) Ltd</i> .....	... 169, 244, 267, 274, 501, 506, 507, 509, 511, 515, 517, 552
<i>Tai On Machinery Works Ltd</i> .....	173
<i>Tai Shun Investment Co Ltd v CIR</i> .....	200
<i>Tak Wing Investment Co Ltd</i> .....	65
<i>Tariff Reinsurance Limited v The Commissioner of Taxes (Victoria)</i> .....	97
<i>Tennant v Smith</i> .....	351
<i>Travelodge Papua New Guinea Ltd v Chief Collector of Taxes</i> .....	270
<i>Tsai Ge Wah</i> .....	389
<i>Tungtex Trading Company Limited</i> .....	76
<i>United Aircraft Corporation</i> .....	96
<i>Vallambrosa Rubber Co Ltd v Farmer</i> ....	133
<i>W T Ramsay Limited v IRC</i> .....	481, 501
<i>Wah Hing Fat Realty Co Ltd</i> ..	132, 242, 260, 261
<i>Wardley Investment Services (Hong Kong) Ltd</i> .....	105, 239, 251, 684
<i>Waylee Investment Ltd</i> .....	132, 241, 261
<i>Wharf Properties Ltd</i>	168, 243, 267, 270, 565
<i>Wilkins v Rogerson</i> .....	351
<i>William P. Lawrie v CIR</i> .....	134
<i>Winfat Enterprise (HK) Ltd</i> .....	132, 241, 260
<i>Wing On Cheong Investment Co Ltd</i> ....	130, 132, 241, 260
<i>Wong Tung Kin</i> .....	70
<i>Wong Wing Pui &amp; Wong Wing Pui trading as Tai Yip Glass Company</i> .....	70
<i>Yarmouth v France</i> .....	183
<i>Yau Wah Yau</i> .....	388
<i>Yick Fung Estates Limited</i> .....	12, 509
<i>Yue Yuen Marketing Company Limited &amp; Others (Yue Yuen Group)</i> .....	44, 75
<i>Yung Tse Kwong</i> .....	386
<i>Zeta Estates Ltd</i> .....	169, 244, 267, 273
<i>Zim Israel Navigation Co Ltd</i> ...	224, 229, 281
<i>Zung Fu Co Ltd v Collector of Stamp Revenue</i> .....	472





# Board of Review decisions

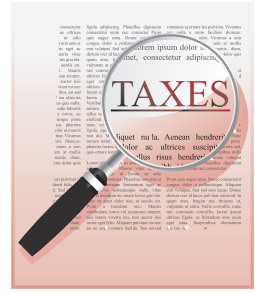




D1/08.....	398	D19/95.....	393
D1/83.....	50	D20/00.....	394
D2/06.....	396	D20/01.....	394
D2/08.....	398	D20/09.....	398
D2/75.....	104	D20/89.....	586
D2/86.....	392	D20/92.....	526
D3/06.....	396	D21/00.....	394
D3/72.....	137	D21/09.....	398
D3/86.....	201	D21/76.....	122
D3/97.....	393	D22/04.....	395
D4/05.....	395	D22/08.....	398
D4/08.....	398	D23/05.....	395
D4/91.....	393	D23/07.....	397
D5/02.....	394	D24/06.....	192
D5/06.....	396	D24/84.....	50
D5/09.....	398	D24/88.....	392
D5/87.....	392	D24/92.....	393
D6/02.....	394	D24/93.....	393
D6/06.....	396	D25/02.....	394
D6/09.....	398	D25/08.....	398
D6/92.....	586	D26/07.....	397
D7/08.....	557	D26/09.....	398
D8/06.....	396	D26/84.....	122
D8/07.....	397	D27/06.....	396
D9/06.....	396	D27/07.....	397
D9/08.....	398	D27/98.....	413
D9/09.....	398	D28/04.....	395
D9/87.....	392	D28/05.....	395
D10/04.....	394	D28/07.....	397
D10/08.....	398	D28/08.....	398
D11/05.....	395	D28/88.....	586
D11/06.....	396	D29/06.....	396
D11/07.....	369, 397	D29/07.....	397
D11/08.....	398	D30/04.....	395
D11/84.....	348	D30/07.....	397
D11/88.....	392	D30/92.....	393
D12/03.....	394	D31/05.....	395
D12/07.....	369, 397	D31/07.....	397
D12/94.....	348, 393	D32/04.....	395
D13/06.....	396, 521	D32/07.....	397
D13/07.....	524	D33/04.....	395
D13/85.....	50	D33/07.....	397
D133/01.....	394	D33/94.....	393
D138/00.....	394	D33/97.....	393
D15/83.....	50	D34/05.....	395
D15/96.....	393	D34/06.....	396
D16/05.....	395	D34/96.....	393
D16/06.....	396	D35/02.....	394
D16/09.....	398	D35/03.....	394
D16/92.....	393	D35/05.....	395
D17/04.....	394	D35/99.....	393
D17/05.....	395	D36/93.....	183
D17/06.....	396	D37/03.....	394
D17/08.....	61, 73	D37/04.....	395
D17/91.....	393	D37/05.....	395
D178/98.....	393	D37/92.....	393
D18/02.....	394	D38/03.....	394
D18/94.....	393	D38/04.....	395
D19/06.....	396	D38/05.....	395
D19/08.....	398	D38/07.....	397

## Taxation

D38/08.....	369, 398	D65/93.....	393
D39/04.....	395	D66/06.....	397
D39/06.....	396	D66/94.....	393
D40/07.....	397	D67/01.....	394
D40/88.....	50	D67/05.....	396
D40/95.....	393	D67/06.....	397
D41/07.....	397	D67/90.....	50
D41/91.....	124	D68/04.....	395
D41/91.....	124	D68/05.....	396
D41/92.....	393	D68/06.....	397
D42/07.....	397	D69/04.....	395
D43/04.....	395	D69/06.....	397
D43/08.....	398	D70/05.....	396
D43/89.....	50	D71/02.....	416
D43/92.....	393	D71/06.....	397
D43/94.....	393	D71/97.....	684
D43/99.....	393	D72/02.....	394
D44/97.....	12, 510	D72/05.....	396
D45/04.....	395	D72/90.....	392
D46/05.....	395	D73/04.....	395
D46/07.....	397	D74/06.....	397
D46/09.....	559	D75/04.....	395
D46/87.....	392	D75/96.....	124
D46/89.....	50	D76/00.....	394
D46/89.....	50	D76/05.....	396
D46/95.....	393	D76/98.....	393
D47/90.....	50	D77/05.....	396
D47/91.....	124	D77/90.....	392
D48/06.....	396	D78/06.....	397, 521
D49/05.....	395	D78/90.....	392
D49/06.....	396	D78/94.....	393
D49/94.....	393	D79/05.....	396
D50/07.....	397	D79/89.....	50
D50/93.....	50	D80/05.....	396
D51/01.....	394	D82/06.....	397
D52/06.....	396	D83/04.....	395
D52/86.....	501, 506	D83/06.....	513
D52/96.....	12	D87/01.....	394
D53/04.....	395	D87/04.....	395
D53/96.....	393	D88/06.....	397
D54/90.....	392	D88/99.....	394
D54/92.....	393	D89/02.....	394
D54/97.....	393	D90/03.....	348, 394
D55/06.....	396	D92/95.....	393
D55/08.....	398	D93/01.....	394
D56/04.....	192	D94/01.....	394
D57/05.....	395	D94/04.....	501, 506
D58/08.....	398	D97/04.....	501, 506
D59/03.....	394	D103/96.....	393
D59/08.....	398	D106/89.....	392
D60/04.....	395	D108/02.....	394
D60/05.....	512	D109/03.....	511
D60/06.....	396	D120/02.....	394
D61/06.....	396	D121/97.....	393
D61/08.....	192	D123/01.....	394
D62/01.....	523, 524, 525	D123/02.....	394
D62/06.....	397		
D63/05.....	395		
D65/06.....	397		



# Practice Notes and Circulars



**Departmental Interpretation & Practice Notes 8,15**

DIPN 1 (Revised), 15, 122, 192  
 DIPN 2 (Revised), 15, 172, 175, 180  
 DIPN 3 (Revised), 15, 135  
 DIPN 4 (Revised), 15, 128, 415  
 DIPN 5 (Revised), 15, 152, 161, 162, 164  
 DIPN 6 (Revised), 15, 37  
 DIPN 7 (Revised), 15, 172, 184  
 DIPN 8, 16, 212  
 DIPN 9 (Revised), 16, 364, 365  
 DIPN 10 (Revised), 16, 345, 347  
 DIPN 11 (Revised), 16, 579, 584, 588, 590  
 DIPN 12 (Revised), 16, 137, 579  
 DIPN 13 (Revised), 16, 98, 105, 106  
 DIPN 13A, 16, 142, 143, 145, 146  
 DIPN 14 (Revised), 16, 413, 419  
 DIPN 15 (Revised), 16, 62, 107, 500, 501, 506, 516, 518, 519, 531, 532, 533, 534, 535, 536  
 DIPN 16 (Revised), 16, 360  
 DIPN 17 (Revised), 16, 313, 315, 318  
 DIPN 18 (Revised), 16, 375, 433  
 DIPN 19, 16, 228  
 DIPN 20 (Revised), 16  
 DIPN 21 (Revised), 16, 98, 99, 101, 102, 103, 105, 106, 111, 214, 557  
 DIPN 22 (Revised), 16, 62, 113, 317  
 DIPN 23 (Revised), 16, 150, 353  
 DIPN 24 (Revised), 16, 521, 524  
 DIPN 25 (Revised), 16, 62, 94, 346, 347, 521  
 DIPN 26 (Revised), 16, 121  
 DIPN 27 (Revised), 16  
 DIPN 28, 16, 138  
 DIPN 29, 6, 16  
 DIPN 30 (Revised), 16, 102, 320  
 DIPN 31 (Revised), 16, 62, 63, 111, 521, 568  
 DIPN 32 (Revised), 17, 228, 345, 655  
 DIPN 33 (Revised), 17, 94, 347  
 DIPN 34 (Revised), 17, 119  
 DIPN 35 (Revised), 17, 369  
 DIPN 36 (Revised), 17, 368  
 DIPN 37 (Revised), 17, 367  
 DIPN 38 (Revised), 17, 348, 359, 360  
 DIPN 39 (Revised), 17, 110, 113  
 DIPN 40 (Revised), 17, 136, 193, 272  
 DIPN 41, 17, 361  
 DIPN 42, 17, 169, 170, 171, 193  
 DIPN 43 (Revised), 17, 102, 325, 326, 327, 329  
 DIPN 44 (Revised), 17, 216, 345, 655, 656, 659  
 DIPN 45, 17, 331, 664  
 DIPN 46, 17, 331, 548, 666, 667, 668  
 DIPN 47, 17, 660, 668  
 DIPN 48, 17, 25, 669

**Estate Duty Office Interpretation & Practices Notes (EDOIPN)**

EDOIPN 1, 18

**Stamp Office Interpretation & Practice Notes (SOIPN), 8, 17**

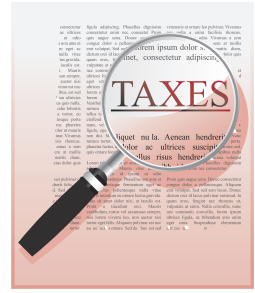
SOIPN 1, 460

SOIPN 2, 468

SOIPN 3, 452

SOIPN 4, 468

SOIPN 5, 465



# Index





**Note: Key Terms** and their page references are given in **bold**.

## A

- Accommodation benefits, 355
- Accounting date, 204
- Action plan, 566
- Active fee, 215
- Active income, 96
- Activities test, 98, 99
- Ad valorem fixed rate method, 714
- Additional assessments, 591
- Additional dependent grandparent allowance, 374
- Additional dependent parent allowance, 373
- Adjudication, 477
- Adjusted surplus method, 218
- Administrative procedures under the IRO, 67
- Advance Pricing Arrangement, 669
- Advance rulings system, 62, 567
- Advice papers, 581
- Advisory Committee on New Broad-based Taxes, 23
- Agency business, 700
- Agent**, 21, **91**, 95, **314**
- Agreement for sale (Head 1(1A)), 456, 461
- Agreement for sale of residential property, 450
- Agreement for sale, 458
- Aircraft owner, 229
- Aircraft, 229
- Airline and shipping income, 653
- Allocation / reallocation of partnership profits and losses, 209
- Allowable deductions under property tax, 416
- Allowable deductions, 287, 364
- Ambience (atmosphere), 183
- Annual allowance under s.33A, 179
- Annual allowance under s.34(2), 174
- Annual allowance under s.37(2), 184
- Annual allowance, 185
- Anonymous payments, 137, 203
- Anti-avoidance provisions under the IRO, 504
- Anti-avoidance provisions (s.45 SDO), 474
- Anti-avoidance rules, 663
- Appeal against additional tax assessment, 60
- Appeal against stamp duty assessment, 479
- Application to the Commissioner for a notice under Section 88B, 66
- Apportionment or aggregation, 207
- Approved charitable donations, 148, 149, 152, 366
- Approved investment advisor**, **319**
- Approved research institution, 151
- Approved retirement scheme, 148, 150
- Arm's length principle and associated enterprises, 666
- Arrangement for the Avoidance of Double Taxation between the Mainland and the HKSAR, 228, 233
- Arrangement for the Avoidance of Double Taxation on Income and Prevention of Fiscal Evasion, 655
- Arrangement, 655
- Artificial transaction, 506
- Artificial**, **506**
- Artistes, 659
- Ascertainment of assessable income, 375
- Assess First Audit Later (AFAL), 43
- Assess First Audit Later System, 579
- Assessable profits from deemed trading receipts under ss.15(1)(a), (b) or (ba), 316
- Assessable profits of non-resident persons regarded as assessable profits of resident persons, 529
- Assessable profits (computation), 195
- Assessable value of land or buildings, 414
- Assessing a non-resident's liability, 314
- Assessment in the name of the Hong Kong person under s.20B, 318
- Assessments raised by an assessor, 42
- Assessments, 41, 591
- Assets acquired under hire purchase: s.37A, 185
- Assets Betterment Statement method, 583, 585
- Assets brought into business after non-business use, 187
- Assets put out of use upon cessation, 187
- Assets removed from the pool for non-business use, 187
- Assets sold between related parties, 188
- Assets sold together for one price, 188
- Assets succeeded from a trade without purchase, 187
- Assets used in the Mainland by cross-border processing businesses, 191
- Assets used partly for the purpose of trade, 186
- Associate, 141
- Associated corporation**, 141, **356**
- Associated Enterprise and the Business Profits Articles of the OECD Model Tax Convention on Income and Capital (MTC), 666
- Attribution of profits and expense to a permanent establishment, 667
- Audit Trilogy, 580
- Austria, 681

Auto Tax Payment Service, 64  
 Available-for-sale financial assets, 169  
 Avoidance of double taxation arrangements,  
 330, 676, 678, 680

**B**

Bad and doubtful debts, 138  
 Bad debts, 166, 215, 416  
 Badges of trade, 92  
 Balancing charge or balancing allowance  
 under s.35, 174, 175  
 Balancing charge or balancing allowance,  
 185, 186  
 Bank deposit method, 588  
 Banking records, 597  
 Bareboat charter, 223  
 Basic allowance, 372  
 Basic rate, 709  
 Basis of settlement, 583  
 Basis period under s.40(1), 172  
 Basis period, 201  
 Bearer instrument, 470  
 Belgium, 680  
 Beneficial Owner, 662  
 Benefit retirement scheme, 166  
 Benefits specifically excluded from tax, 362  
 BIR 51, 39  
 BIR 52, 39  
 BIR 56A, 41, 53  
 BIR 57, 39  
 BIR 58, 39  
 BIR 60, 39  
 Board of Inland Revenue, 9, 37  
 Board of Review (Inland Revenue  
 Ordinance), 10  
 Board of Review Decisions, 18  
 Board of Review, 10, 47, 50, 61, 96, 402, 684  
 Body of persons, 22  
 Bona fide widely held, 326  
 Branch, 545  
 Branches of a foreign bank, 216  
**Broad guiding principle, 96, 109, 110, 111,**  
 112, 198, 246, 259, 295, 557, 684, 737,  
 740, 762, 779, 782, 785  
**Broker, 320**  
 Brunei, 680  
 Budget, 24  
 Building refurbishment, 149  
 Building, 183  
 Business carried on in Hong Kong, 95  
 Business economics (percentage  
 computation) method, 589  
 Business profits, 656, 661, 675, 676  
 Business records, 596  
 Business registration number, 8

Business Registration Office, 8  
 Business tax rate and calculation, 701  
 Business tax, 27, 696, 701  
**Business, 94**  
 Buying office, 101  
 Buying or leasing an asset, 564

**C**

Capital asset transferred to trading stock,  
 123  
 Capital duty, 28  
 Capital expenditure on environmental  
 protection installation, 150  
 Capital expenditure on environmental  
 protection machinery\*, 149  
 Capital expenditure on the provision of a  
 prescribed fixed asset, 149, 161  
 Capital expenditure on the provision of  
 environmental protection facilities, 162  
 Capital expenditure, 133, 172  
 Capital gain, 5, 658, 673, 675, 678  
 Capital gains tax, 542  
 Capital receipts, 127  
 Car (or boat) made available by an employer  
 for the private use of an employee, 361  
 Case selection, 579  
 Cases relating to deductions under profits  
 tax, 243  
 Cases relating to the source concept, 239  
 Cases relating to trading receipts and capital  
 receipts, 241  
 Cash, 562  
 Cash allowance, 387, 388  
 Change of accounting date, 204  
 Change of intention of holding an asset, 123  
 Change of legislation, 538  
 Chargeable instruments, 450  
 Chargeable persons, 91  
 Chargeable profits, 91  
 Charter hire, 225, 230  
 Charter party by demise, 230  
 Chief representative, 719  
 Child allowance, 373  
 Circular 403, 657  
 Circulating capital, 127  
 Circumstances responsible for the  
 realisation, 93  
 Closely connected residents, 313, 319, 322  
 Club benefits, 362  
 Clubs, 235  
 Code of Ethics for Professional Accountants,  
 502, 503  
 Collector of Stamp Revenue, 449, 480  
 Commencement of business, 201  
 Commercial building, 172

- Commercial building allowance ('CBA'), 179  
**Commercial occasion or event, 317**  
 Commission basis, 700  
 Commission income, 99  
 Commissioner of Inland Revenue, 7, 37, 44, 63  
 Commissioner's power to determine the true value of a prescribed fixed asset on sale, 527, 528  
 Commissioner's power to determine the true value of an asset on sale, 531  
 Commodities Trading Ordinance, 324  
**Common part, 414**  
 Comparable Uncontrollable Price (CUP) Method, 548  
 Comparison of HKSAR and PRC Tax Systems, 27  
 Compensation, 128  
 Compensation for loss of office, 166  
 Composite taxable value, 703  
 Comprehensive Tax System Review, 23  
 Computation of salaries tax, 375  
 Concurrent activities, 700, 707  
 Conditional Holdover, 45  
**Conditional sale agreement, 532**  
 Conditional Standover Order, 9, 64  
 Conducting a tax investigation or field audit, 580  
 Confidentiality, 502  
 Connected, 145  
 Consideration consisting of debts payable by the transferee, 451  
 Consideration consisting of security not being stock, 451  
 Consideration consisting of stock, 451  
 Consideration expressed in foreign currency, 454  
 Consideration in the form of debts assigned, 452  
 Consideration in the form of debts waived, 451  
**Consideration, 415**  
 Construction industry, 697  
 Consumption tax liability, 714  
 Consumption tax refund, 716  
 Consumption tax relief, 716  
 Consumption tax taxable scopes, 712  
 Consumption tax taxpayers, 714  
 Consumption tax, 712, 717  
 Contingency principle, 454, 466  
 Contingent debts, 389  
 Contract effect test, 98  
 Contract effected test, 97  
 Contract for service, 346  
 Contract note, jobbing business (Head 2(2)), 469  
 Contract note, jobbing business, 450  
 Contract note, not being jobbing business (Head 2(1)), 467  
 Contract note, not jobbing business, 450  
 Contract notes, 476  
 Contract processing, 103  
 Contributions to recognised retirement schemes, 370  
 Contributions to retirement schemes, 165  
**Control, 141, 346, 356**  
 Conversion of 'sales value' from the inclusive value to exclusive value, 714  
 Conveyance on sale (Head 1(1)), 455  
 Conveyance on sale, 450, 476  
**Copyright, 155**  
 Corporate Income Tax, 722  
 Corporation, 141, 211  
 Cost plus method, 549  
 Court Cases, 18  
 Court of Appeal, 47  
 Court of First Instance, 18, 47  
 Credit cards, 362  
 Cross-border activities, 344  
 Cross-border land transportation income, 99  
 Culture and sports service, 698  
 Currency forward contract, 171
- D**
- Debt instrument, 117**  
 Deceased taxpayer, 432  
 Deductibility of the land cost, 517  
 Deductible interest from 25 June 2004 onwards, 142  
 Deductible interest under ss.16(1)(a) and (2), 140  
 Deductible items under ss.16(1)(a) to (h), 138  
 Deduction of interest expenses, 527  
 Deduction of property tax from profits tax, 418  
 Deductions not allowable under s.17, 164  
 Deed of assignment, 455  
 Deed of exchange, 456  
 Deed of family arrangement, 456  
 Deed of gift, 455  
 Deed of partition, 456  
 Deemed assessable profits, 328  
 Deemed capital expenditure, 178  
 Deemed sale and purchase of stock, 468  
 Deemed sales, 700, 706  
 Deemed trading receipts of non-residents, 315  
 Deemed trading receipts, 113, 116, 313  
 Deeming provisions (anti-avoidance provisions), 326  
 Demand for provisional tax payment, 43

Departmental Interpretation and Practice Notes (DIPNs), 8, 15

Dependent brother/ sister allowance, 374

Dependent grandparent allowance, 373

Dependent parent allowance, 373

Depreciation allowances on machinery or plant, 182, 365

Depreciation allowances, 172

Deputy Commissioners, 7, 579

Deregistration of a company, 66

Derivatives, 170

Determining central management and control, 325

Development project, 565

Direct beneficial interest, 327

Directors' fees, 659

Directors' fees, artistes and sportspersons, 659

Disabled dependant allowance, 374

Disposing of the shares or assets of a business, 564

Distinction between capital and revenue items, 127

Distribution in specie., 453

Distributions, 121

Dividends, 659, 672

Documentation, 667

**Dominant purpose, 518**

Double Tax Arrangement between the Mainland and the Hong Kong SAR, 344, 655

Double tax arrangements on international aviation income, 232

Double taxation, 653

Double taxation agreement between the HKSAR and Belgium, 671

Double taxation agreement between the HKSAR and Luxembourg, 674

Double taxation agreement between the HKSAR and Thailand, 673

Double taxation agreement between the HKSAR and the Netherlands, 676

Double taxation agreement between the HKSAR and Vietnam, 674

Double taxation agreements, 653, 678

Double taxation arrangements ('DTAs') with other countries, 228

Double taxation arrangements, 22, 671

Double taxation relief (Income from shipping operations) (United States of America) Order 1989, 228

Double taxation relief, 5, 663

Duplicates and counterparts, 449, 450, 470, 477

Duty on commodities, 27

**Dwelling, 369**

## E

E-commerce transactions, 109

Economic double taxation, 665

Economic reality, 346

**Education provider, 366**

Educational benefits, 360, 385

**Effected, 518**

Elderly residential care expenses, 367

Elections for personal assessment, 432

Electronic TRCs Scheme, 64

Elimination of double taxation, 660

Embedded derivatives, 171

Embezzlement, 166

Emoluments chargeable to salaries tax, 351

Employer's Obligations under the IRO, 52

Employer's Return, 41, 53

Employment income, 658, 673, 675, 678

Employment package, 381

Employment, 345, 346

Enduring benefit test, 133

**End-user, 157**

**Entertainer or sportsman, 317**

Entertainment business, 698

Environmental Protection Installation, 163

Environmental protection machinery, 163

Environment-Friendly Vehicles, 163

Error or omission claim, 49

Estate duty, 27

eTax, 39, 64

Ethical considerations in tax planning, 502

Ethics in Tax Practice, 503, 614

Evidence of change of intention, 124

Ex gratia payment, 166

Examination of books and accounts, 583

Excepted person, 146

Excess allowable deductions of a spouse under joint assessment, 365

Exchange difference, 171, 215

Exchange loss, 166

Exchange of Information (EoI) Article, 660

Exchange of information, 660, 668, 669, 676, 678

**Excluded fixed asset, 161**

Exempt from stamp duty, 472

Exempt sums, 225

Exemption for offshore funds, 323

Exemptions and reliefs (SDO), 472

Exemptions from SSD, 464

Expenditure on building refurbishment, 157, 160

Expenses, 383

**Expenses of self-education, 366**

## F

Fictitious transaction, 506  
**Fictitious, 506**  
 Field audit, 579  
 Field Audit and Investigation Unit, 579  
 Field audit cases, 580  
 Field visit and examination of books and records, 582  
 Fiji, 654  
 Finance company, 546  
 Financial and insurance industry, 697  
 Financial assets or financial liabilities at fair value, 169  
 Financial institutions, 214  
 Financial Instruments, 125, 169  
 Financial Secretary, 9, 24, 118  
 First tier, 344  
 Fiscal nullity principle, 501, 505, 506  
 Fiscal year, 28  
 Five per cent method, 217  
 Fixed capital, 127  
 Fixed capital vs. circulating capital test, 133  
 Foreclosure order, 455  
 Foreign exchange transactions, 172, 193  
 Foreign paid tax, 215  
 Form BIR 51, 38  
 Form BIR 52, 38  
 Form IR 1263, 66  
 Form IR 1297, 62, 567  
 Form IR 623, 318  
 Frequency of similar transactions, 92  
 Fringe benefits, 361  
 Functional test, 183  
 Fundamental Principles, 503

## G

Gains or profits from offshore reinsurance investments, 222  
 General deduction rule under s.16, 135  
 General planning strategies, 537  
 General taxpayer, 707  
 Goods and Services Tax (GST), 23  
 Goods in transit, 224, 230  
 Goods on consignment, 319  
 Gross business turnover, 702  
 Group of companies, 539  
 Guarantee/underwriting fees, 215  
 Guidelines on business records, 597

## H

Harmful Tax Competition – An Emerging Global Issue, 540

Hedge accounting, 171  
 Held-to-maturity investments, 169  
**Hire-purchase agreement, 185, 532**  
 HIT Finance Ltd (2008), 509  
 HKAS 1, 170  
 HKAS 11, 193  
 HKAS 21, 171  
 HKAS 39, 125, 169, 171  
 Holdover of Provisional Tax Payment, 46  
 Holdover of Tax in Dispute under an Objection, 45  
 Holdover of Tax Payment, 45  
 Holdover/payment of tax, 539  
 Holiday warrants or passages, 361  
 Home loan, 369  
**Home loan interest, 368, 369**  
 Hong Kong aircraft owners, 229  
 Hong Kong bearer instrument, 449, 450, 451, 469, 470  
 Hong Kong bearer instruments in substitution for a duly stamped instrument (Head 3(2)), 470  
 Hong Kong bearer instruments issued in respect of any stock (Head 3(1)), 470  
 Hong Kong cross-border employees, 345  
 Hong Kong Holding Company – Capital Gain, 663  
 Hong Kong Holding Company – Withholding tax, 662  
 Hong Kong Institute of Certified Public Accountants, 24, 502, 595  
 Hong Kong resident employee, 719  
 Hong Kong stock, 449, 450, 467  
 Hong Kong vs Non-Hong Kong Employment, 347  
 Hungary, 681  
 Husband and wife, 377, 432

## I

Illegal partnership, 211  
 Immovable property in Hong Kong (Head 1), 455  
 Immovable property in Hong Kong, 449, 450  
 Immovable property, 482  
 Implementation Regulations for Special Tax Adjustments (Trial) (Guoshuifa (2009) 2, 724  
 Import processing, 103  
 Import VAT calculation, 710  
 In the production of profits', 137  
 Incidental transactions, 325  
 Income chargeable to salaries tax, 349  
 Income from Hong Kong employment, 347  
 Income from Immovable Properties, 656

Income from non-Hong Kong employment, 347  
 Income from personal services, 344  
 Income records, 598  
 Income tax, 28  
 Incurred, 136  
 Indirect beneficial interest, 327  
 Individual, 210  
 Individual Income Tax, 718  
 Individual Tax Return (BIR60), 37  
 Indonesia, 680  
 Industrial building allowance ('IBA'), 172  
**Industrial building or structure, 172**  
 Initial allowance, 185  
 Initial allowance under s.34(1), 174  
 Initial allowance under s.37(1), 184  
 Initial interview, 582  
 Initial set-up cost or special payment to an occupational retirement scheme, 167  
 Inland Revenue Department (IRD), 7, 8  
 Instrument of transfer for voluntary disposition inter vivos, 450  
 Instrument of transfer of Hong Kong stock, 477  
 Instrument of transfer, 451  
 Insurance, 166  
 Insurance of finance business, 170  
 Intangible assets, 563  
 Integration, 346  
 Integrity, 502  
 Interest, 659, 672  
 Interest earned by persons other than financial institutions, 99  
 Interest flow-back test in s.16(2B), 145  
 Interest flow-back test in s.16(2C), 146  
 Interest from loans, 214  
 Interest from securities other than CDs, 215  
 Interest income, 138  
 Interest on certificates of deposit (CDs), 215  
 International aviation income, 654  
 International transfer pricing, 547  
 Interpreting the provisions in the Ordinances, 12  
 Intra-group services, 667  
 Investigation Unit of the IRD, 579  
 Investment in shares, 563  
 IR 1263, 66  
 IR 1297, 62  
 IR 56B, 41, 53  
 IR 56E, 53  
 IR 56F, 53  
 IR 56G, 53  
 IR 56M, 53  
 IR56B, 37  
 Ireland, 681, 682  
 Items specifically chargeable to salaries tax, 352

**J**

Jersey, 331, 654  
 Jobbing business, 469  
 Juridical double taxation, 665

**K**

Keywords in the Ordinances, 13  
**Know-how**, 116, **152**, 155, 157, 161  
 Kuwait, 681

**L**

Land appreciation tax, 27  
 Land cost, 517  
 Land or building, 563  
 Late stamping, 477  
 Learning Hong Kong tax law, 10  
**Lease**, 185, **532**  
 Lease (Head 1(2)), 465  
 Lease executed in pursuance of a duly stamped agreement for lease (Head 1(2)(c)), 466  
 Lease of immovable property in Hong Kong, 476  
 Lease of immovable property, 450  
 Lease with premium and/or rent (Head 1(2)(b)), 465  
 Lease with premium only (Head 1(2)(a)), 465  
 Leased machinery or plant, 188  
 Legal and professional fees, 167  
 Legal and professional requirements, 595  
 Length of ownership, 92  
 Letting premises, 94  
 Leverage lease transaction, 533  
 Liability of certain non-resident persons, 528  
**Licence, 157**  
 Life insurance companies, 217  
**Limited partner, 530**  
 Limited partner loss relief, 530  
 Literal interpretation, 12  
 Loan interest, 215  
 Loans and receivables, 169  
 Loans provided to employees at less than market interest rates, 362  
 Location of payment, 703  
 Long service payment, 389  
**Long term debt instrument, 120**  
 Loss brought forward, 365  
 Loss relief, 210  
 Losses, 21, 518  
 Lower rate, 708  
 Lump sum payment from a recognised occupational retirement

scheme/mandatory provident fund (MPF) scheme, 363  
 Lump sum payment on cessation of employment or deferred pay, 375  
 Lump sum payments for retirement schemes, 354  
 Luxembourg, 680

## M

Machinery or plant, 563  
 Machinery, 183  
 Malaysia, 331, 654  
 Malta, 331, 654  
 Management or service company, 546  
 Mandatory contributions in self-employment cases, 148, 150, 166  
 Mandatory Provident Fund, 370  
 Mandatory provident fund scheme, 148, 150, 165, 167  
 Manufacturing profit, 99  
 Market maker, 146  
 Married person's allowance, 372, 386  
 Meaning of 'error', 69  
**Medium term debt instrument, 117**  
 Methods for Elimination of Double Taxation Article, 666  
 Miscellaneous income and exemptions, 112  
**Mixed sales, 706**  
 Mixed sales activity, 699  
 Model Double Taxation Treaties, 653  
 Motive, 92  
 Movable property, 106  
 Mutual Agreement Procedure Article, 666  
 Mutual agreement procedure, 660  
 Mutual insurance companies, 223

## N

National People's Congress and its Standing committee, 693  
 National People's Congress, 693  
 Natural person, 141  
 Net assessable profits, 195  
 Netherlands, 654, 680  
 No tax exemption, no tax refund, 717  
 Non-admissibility of instruments, 479  
 Non-allowable deductions, 164  
 Non-life insurance companies, 220  
 Non-pooling system, 185  
 Non-recourse debt, 533  
 Non-resident aircraft owners, 233  
 Non-resident person, 324, 528  
 Non-resident trading through an agent, 95  
 Non-residential property, 458  
 Non-residents, 313

Non-stamping, 479  
 Non-taxable Items, 351  
 Normal or continuing business, 201  
 Notice of assessment, 37, 43  
 Notification By Employer Of Employee About To Cease To Be Employed, 53  
 Notification By Employer Of Employee About To Depart From HK, 53  
 Notification By Employer Of Employee Who Commences To Be Employed, 53  
 Notification Of Remuneration Paid To Persons Other Than Employees, 53  
 Notional allowance, 175

## O

Obiter dicta, 18  
 Objection, 44  
 Objection and holdover procedures, 44  
 Objectivity, 502  
 Occupational retirement scheme, 148, 353  
 OECD, 540  
 OECD and Model Tax Treaty, 654  
 OECD Model EoI Article, 668  
 OECD Model Tax Treaty, 655  
 Offences, 50  
**Office, 345**  
 Offshore holding company, 541  
 Offshore reinsurance income, 222  
 Once and for all test, 133  
 Onus of proof, 48  
 Operations review, 194, 537  
 Operations test, 97, 99  
 Ordinary commercial accounting principles, 193  
 Ordinary contributions to an occupational retirement scheme, 167  
 Organisation for Economic Co-operation and Development (OECD), 110, 540, 653  
 Outgoings and expenses, 365  
**Owner, 413**

## P

Participation, commitment fees, 215  
 Partnerships, 21, 141, 207, 210  
 Passengers in transit, 230  
 Passive income, 96  
**Patent rights, 116, 149, 152, 155**  
 Patent rights, know-how rights, 148  
 Payment (or refund) of rent, 362  
 Payment for technical education, 152  
 Payment in lieu of notice, 351, 384  
 Payment of Business Tax, 703  
 Payment of taxes, 64  
 Payment of utilities by the employer, 362

- Payment of VAT, 710
- Payment upon termination of employment, 386
- Penal actions, 591
- Penalties, 50
- Penalty aspect of tax avoidance cases, 536
- Penalty Provisions, 55, 59
- Pension, 345, 348**
- Per incuriam, 18
- Permanent establishment ('PE') , 5, 95, 110, 230
- Permanent home, 656
- Permanent resident, 431
- Person, 19, 91**
- Personal allowances, 372
- Personal assessment computation, 432
- Personal assessment, 8, 429
- Persons chargeable to taxation under the IRO, 19
- Persons who may elect for personal assessment, 431
- Place of residence, 369**
- Place where the employee's remuneration is paid, 347
- Place where the employment contract is negotiated, concluded and enforceable, 347
- Planning for business transactions, 558
- Plant and machinery, 172
- Plant, 183
- Pooling system, 184
- Postal and telecommunications industry, 697
- Post-cessation receipts and payments, 200
- Power of the IRD to obtain information from taxpayers and others, 53
- Practical considerations in tax planning, 536
- PRC, 680
- PRC Individual Income Tax, 380
- Pre-commencement expenditure, 200
- Pre-commencement expenses, 167
- Premium, 415**
- Premiums from reinsurance of offshore risks, 222
- Preparation of the profits tax computation, 192
- Prescribed course of education, 366**
- Prescribed fixed asset, 161**
- Principle in Sharkey v Wernher, 123, 124, 194
- Principles of taxation, 5
- Privy Council, 96, 135, 136, 246
- Proceeds from sale of machinery or plant, 116
- Professional behaviour, 503
- Professional competence and due care, 502
- Professional fees, 539
- Professional reinsurer, 222
- Profit from sale of listed shares and other listed securities, 98
- Profit from sale of real property, 99
- Profit from sale of unlisted shares and other unlisted securities, 98
- Profits, 91
- Profits arising from the sale of capital assets, 91
- Profits tax computation for a partnership business, 208
- Profits tax computation for non-resident aircraft owners, 233
- Profits tax computation, 194, 195
- Profits tax computations for a financial institution, 214
- Profits tax computations for a resident aircraft owner, 229
- Profits tax computations for a ship owner, 224
- Profits tax liability, 195
- Profits tax returns, 38
- Profits tax, 20, 46, 91
- Progressive tax rates, 20, 376
- Projection method, 590
- Property and share transactions, 129
- Property letting amounting to a business, 414
- Property owners, 419
- Property tax charge, 413
- Property tax computation, 416
- Property tax return, 39
- Property tax, 19, 46, 420
- Property transactions, 129
- Proportionate benefit, 355
- Provincial People's Congress, 693
- Provision of credit test, 97, 99
- Provisional agreement for sale and purchase (PASP), 462
- Purchase and sale of assets of a business, 562
- Purchase and sale of immovable property, 559
- Purchase and sale of listed securities, 102
- Purchase and sale of patent rights or know-how rights, 152, 154
- Purchase and sale of patent rights, 527
- Purchase and sale of real property, 102
- Purchase and sale of shares or assets of a business, 561
- Purchase and sale of shares, 561
- Purchase and sale of unlisted securities, 102
- Purchase of used building or structure, 175, 177, 179
- Purchasing goods on a commission basis, 700
- Purchasing immovable property by an exchange of property, 483



## Q

Qualifying building or structure, 173  
 Qualifying expenditure, 173, 179, 184  
 Qualifying person, 174, 179, 184  
 Qualifying reinsurance business, 221  
 Qualifying trade, 172, 173

## R

Ramsay principle, 481, 500, 505, 506  
 Random selection, 580  
 Rateable value, 356  
 Rates and Government rent, 27  
 Rates, 416  
 Ratio decidendi, 18  
**Reasonable excuse, 50**  
**Recognised occupational retirement scheme, 150, 353**  
**Recognised organisation or association, 369**  
**Recognised retirement scheme, 353, 370**  
 Recognised scheme, 167  
 Records of assets, 598  
 Records of debtors and creditors, 598  
 Records of depreciation allowances, 598  
 Records of purchases and expenses, 598  
 Records of trading stock, 599  
 Recovery of bad debts, 116  
 Recreational facilities/holiday homes  
   provides for the use of employees, 361  
 Redundancy/severance payments, 167  
 Re-embarking passengers, 225  
**Registered design, 155**  
**Registered trade mark, 155**  
 Regular contributions, 150  
 Re-invoicing activities, 101  
 Relationship between the Mainland-HKSAR  
   CDTA and the IRO, 660  
 Relative, 141  
 Relevant profit of old business to be  
   assessed, 528  
**Relevant sum, 530**  
 Relevant sums, 224, 230  
 Relief from double taxation due to transfer  
   pricing adjustment, 664  
 Remission of stamp duty by Chief Executive,  
   476  
 Removal expenses, 168  
 Remuneration under certain agreements  
   treated as income derived from an  
   employment of profit, 519  
 Renminbi Sovereign Bonds, 119  
 Rent, 138  
 Rent paid, 383  
 Rent refund, 387, 388

Rental allowance, 386  
 Rental income, 99, 414  
 Repairs, 138, 168  
 Replacement of assets, 188  
 Reporting requirements, 330  
 Repos, 121, 122  
 Resale price method, 549  
 Research and development ('R&D'), 116,  
   148, 151  
 Residence of the employer, 347  
 Residence, 5  
 Resident, 674, 676  
 Residential property, 458  
 Residue of expenditure', 175  
 Retirement benefits, 353  
 Retirement schemes, 165  
 Returns and record keeping, 38  
 Revaluation of trading securities, 193  
 Revenue expenditure, 133  
 Revenue receipts, 127  
 Reverse Repo, 121  
 Risk-based selection, 580  
 River trade limits, 225  
 Royalties, 99, 659, 672

## S

Salaries tax, 19, 46, 340  
 Salaries tax cases, 383  
 Salaries tax computation, 376  
 Sale and lease-back arrangement, 532  
 Sale and licence back arrangement, 157  
 Sale of residential property, 452, 454  
 Save-As-You-Earn Scheme, 64  
 SBLTs, 120  
 Schedular system, 8  
 Scope of profits tax charge, 91  
 Scope of VAT, 705  
 Secan, 125, 193  
 Second Protocol, 657, 658  
 Second tier, 344  
 Secured-loan test in s.16(2A), 142  
 Self-education expenses, 365  
 Selling immovable properties, 699  
 Senior management personnel, 721  
 Service fee, 99  
 Service industry, 698  
 Setting test, 183  
 Settlement interview, 591  
 Share allotment, 484  
 Share Award, 360  
 Share option gains, 358, 387  
 Share option rights, 364  
 Share-based benefits, 357  
 Sharkey v Wernher principle, 123, 124, 194  
 Ship owners, 223

- Shipping income, 653
- Shipping, aviation and land transport operations, 657
- Short life business, 204
- Short term debt instrument, 118**
- Single parent allowance, 386
- Situs (or location) test, 98
- Situs of employment of a taxpayer, 347
- Situs of employment, 385
- Situs test, 98, 99, 102
- Small Business, 39
- Small Corporation, 39
- Small-scale taxpayer, 707, 708
- Sole or dominant purpose, 509**
- Source of commission or service fee, 104
- Source of cross-border land transportation income, 108
- Source of employment, 391
- Source of interest income, 105
- Source of manufacturing profits, 103
- Source of profits, 96
- Source of rental income from immovable property, 106
- Source of rental income from movable property, 106
- Source of royalties or licence fees from intangible assets, 107
- Source of trading profits, 99
- Source of underwriting income, 109
- Special classes of business, 213
- Special Economic Zones, 693
- Special payment under an approved retirement scheme, 150
- Special rules for general taxpayers, 708
- Special stamp duty (SSD), 26, 456, 459, 461, 559
- Specific deductions, 135, 148
- Specified capital expenditure, 155, 161, 163**
- Specified intellectual property right, 155**
- Specified investment scheme, 119
- Specified IPR, 149, 153, 155
- Specified person, 324**
- Specified purpose', 120
- Specified securities', 121
- Specified transactions, 324**
- Sportspersons, 659
- Staff remuneration, 662
- Stamp duty, 26, 28, 449, 450, 456, 469, 471, 542
- Stamp duty administration, 476
- Stamp duty on conveyance of immovable property, 483
- Stamp duty planning, 482
- Stamp Office, 449
- Stampable consideration, 451
- State Administration of Taxation (SAT), 693
- Statement of cash flows, 194
- Statement of financial position, 194
- Statement of income, 194
- Statutory outgoings, 416
- Stock, 467
- Stock borrowing and lending transactions, 120, 468
- Stock option gain, 357
- Stock taken for own use, 122
- Stock valuation methods, 122
- Stock valuation on cessation of trade or business, 126
- Stock valuation, 122
- Stockbrokers and approved investment advisors, 319
- Stop/go dilemma, 539
- Structuring the employment package, 381
- Structuring the source of employment, 379
- Subject matter, 92
- Sub-letting premises, 94
- Subsidiary, 545
- Subsidised accommodation, 357
- Substance over form, 451
- Sums specifically chargeable to profits tax, 113, 283
- Sums specifically exempt from profits tax, 118, 285
- Supplementary work done, 92
- Surcharge for tax payment, 694

**T**

- Tax abatement, 716
- Tax administration system in China, 693
- Tax administrative prosecution, 696
- Tax administrative review, 695
- Tax appeal, 46
- Tax authority, 693
- Tax avoidance cases, 536
- Tax benefit, 509**
- Tax bureau, 693
- Tax case on loss in a foreign currency, 213
- Tax case on loss in foreign currency loss by non-resident aircraft owner, 266, 278
- Tax case on non-resident aircraft owner, 235
- Tax case on non-resident ship owner, 229, 281
- Tax case on source of interest income, 106, 257
- Tax case on source of underwriting income, 259
- Tax cases on clubs and trade associations, 238, 282
- Tax cases on deductions under profits tax, 168, 267
- Tax cases on financial institutions, 216, 279

- Tax cases on non-life insurance companies, 222, 280
- Tax cases on property and share transactions, 132, 260
- Tax cases on source of manufacturing profits, 104, 248
- Tax cases on source of service fee, commission and rebates, 105, 251
- Tax cases on source of sublicensing income, 107, 258
- Tax cases on source of trading profits, 102, 245
- Tax cases on source of underwriting income, 109
- Tax cases on taxability of royalty income, 315
- Tax collection, 694
- Tax collection and administration, 694
- Tax deferral, 694
- Tax developments, 23
- Tax disputes and appeals, 695
- Tax efficient strategies under salaries tax, 379
- Tax evasion, 500
- Tax exemption and refund (foreign trade entities), 716
- Tax exemption, no tax refund (manufacturing entities), 716
- Tax havens, 539
- Tax implications of residence and non-residence, 313
- Tax investigations, 579
- Tax losses, 518
- Tax Ordinances, 8
- Tax overpaid by non-residents, 330
- Tax periods, 703, 711, 718
- Tax planning, 500, 536, 538
- Tax planning opportunities under the Arrangement and IRO, 661
- Tax planning strategies, 537
- Tax rates, 19, 29, 91
- Tax records, 194
- Tax refund on exports, 716, 717
- Tax refund rate, 717
- Tax refunds, 695
- Tax representatives' role in a tax investigation or field audit, 594
- Tax Reserve Certificate (TRC), 45, 64, 539
- Tax returns, 38
- Tax rules, 194
- Tax treatment for common expenses, 166
- Taxable Items, 351
- Taxable sales value, 714
- Taxable stock option gains, 356
- Taxation, 671, 684
- Taxation of financial instruments and exchange difference, 169
- Taxation of overseas income, 653
- Taxpayer's Charter, 37
- Taxpayer's Obligations under the IRO, 51
- Taxpayer's Return, 38
- Taxpayers' attitudes towards a tax investigation or field audit, 593
- Technical education, 149
- Temporary resident, 431
- Termination of employment, 387, 390, 392
- Territorial basis, 5
- Tests of source of profits, 96
- Thailand, 680
- The tax appeal channel, 46
- Third Protocol, 657, 660
- Time charter, 223
- Time limit, 42
- Time limit for election for personal assessment, 432
- Time limit for stamping, 476
- Timing of assessment, 170
- Timing of input tax credit, 711
- Timing of tax liability, 703, 710, 717
- To the extent, 135
- Total aircraft income, 230
- Total aircraft profits, 230
- Total shipping income, 225
- Total shipping profits, 225
- Towards Global Tax Co-operation, 540
- Trade, 92, 94**
- Trade associations, 236
- Trade debts, 562
- Trade, profession and business losses, 21
- Trading profit, 98
- Trading stock transferred to capital asset, 123
- Trading stock, 562
- Transaction, 509, 510**
- Transactions designed to avoid liability to tax, 508
- Transfer as voluntary disposition of Hong Kong stock, 477
- Transfer of any other kind (Head 2(4)), 469
- Transfer of equity interest or assets, 542
- Transfer of intangible assets, 699
- Transfer of right to receive income, 525
- Transfer operating as a voluntary disposition inter vivos (Head 2(3)), 469
- Transfer pricing adjustment, 660, 676, 678
- Transfer pricing guidelines, 666
- Transfer pricing in borrowing and lending, 554
- Transfer pricing in leasing, 555
- Transfer pricing in provision of services, 553
- Transfer pricing in sale and purchase of goods, 521, 524, 529, 533, 534, 551, 560
- Transfer pricing in technology transfers, 552
- Transfer pricing methodologies, 667

## Taxation

Transferring shares in a non-Hong Kong holding company, 483  
Transportation industry, 697  
TRCs for Conditional Standover Order, 64  
Trustee, 21, 22  
Turnover taxes, 704  
Type I service companies, 519  
Types of tax, 19, 28

### U

Unconditional Holdover, 45  
Underwriting income, 259  
United Kingdom, 681  
Units within the IRD, 7  
Unrealised gains, 125, 170, 171, 193  
Unrealised losses, 126  
Unrecognised scheme, 167  
Unsound accounting and auditing system, 708  
Unwritten sale agreement, 458, 459  
Utilisation of losses to avoid tax, 518

### V

Value Added Tax, 704, 718, 722

VAT exemptions, 710  
VAT payable and input credit, 705  
VAT rate for small-scale taxpayers, 710  
VAT Reform Pilot Program, 711  
**VAT special invoice**, 705, 706, 709  
VAT tax rate, 708  
VAT taxpayers, 707  
Vietnam, 680  
Visits to Hong Kong, 348  
Voluntary disposition inter vivos, 470, 488  
Voyage charter, 223

### W

Withholding obligation on resident person paying or crediting certain payments to non-resident person, 317  
Withholding obligations on Hong Kong agents, 314  
Withholding tax on dividends, 544  
Withholding tax rate, 672  
Withholding tax, 672, 673, 675, 676

### Z

Zero rate, 709