

The following legislations enacted during the year were concerned with matters administered by the Department.

Revenue Ordinance 2007 and Revenue (No. 2) Ordinance 2007 (Nos. 10 and 13 of 2007)

These Ordinances gave effect to relevant proposals in the 2007–08 Budget. The following parts were relevant to the work of the Department:



- The stamp duty on transactions of properties valued between \$1 million and \$2 million was reduced from a rate of 0.75% to a fixed amount of \$100;



- Effective from 2007–08, each tax band was widened from \$30,000 to \$35,000, and the tax rates for the two highest bands were reduced from 13% and 19% to 12% and 17% respectively; child allowance was increased from \$40,000 to \$50,000 for each child, and further increased by an additional amount of \$50,000 in the year of assessment in which the child was born; the maximum deductible amount of the expenses of self-education was raised from \$40,000 to \$60,000; and
- Salaries tax and tax under personal assessment for the year of assessment 2006–07 were reduced by 50%, subject to a ceiling of \$15,000.

Exemption from Salaries Tax (International Finance Corporation) Order (Legal Notice No. 101 of 2007)

This Order exempted Chinese nationals and Hong Kong permanent residents employed by, or holding an office in, the International Finance Corporation from the payment of salaries tax chargeable under section 8 of the Inland Revenue Ordinance in respect of their income from the International Finance Corporation.

Electronic Transactions Ordinance (Amendment of Schedule 3) Order 2007 (Legal Notice No. 214 of 2007)

This Order added two provisions, one of which was section 58(2) of the Inland Revenue Ordinance, to Schedule 3 to the Electronic Transactions Ordinance (Cap.553). The amendment allows a document required or permitted to be served on a person by personal service or by post under the provision to be served in the form of an electronic record to an information system designated by the person, if the information contained in it is accessible so as to be usable for subsequent reference.

Business Registration Ordinance (Amendment: Levy Reduction) Order 2008 (Legal Notice No. 4 of 2008)

This Order reduced the levy payable on the registration of a business or a branch of a business, issue of a further business registration certificate or issue of a further branch registration certificate under the Business Registration Ordinance. The levy for one year and 3 years are reduced from \$600 and \$1,800 to \$450 and \$1,350 respectively.

Revenue (Reduction of Business Registration Fees) Order 2008 (Legal Notice No. 35 of 2008)

This Order reduced the fees payable in respect of business registration certificates and branch registration certificates that commence on or after 1 April 2008 but before 1 April 2009.

Specification of Arrangements (Double Taxation) Order under section 49 of the Inland Revenue Ordinance

Country/Region	Date of Order	Nature
Luxembourg	22 January 2008	Avoidance of Double Taxation on Income and Capital and Prevention of Fiscal Evasion

Legal Notices to fix the rate of interest payable on Tax Reserve Certificates

Legal Notice No.	Periods in force	Annual rate of interest
35 of 2007	5 March 2007 to 3 June 2007	2.6000%
103 of 2007	4 June 2007 to 1 October 2007	2.6333%
178 of 2007	2 October 2007 to 4 November 2007	2.6167%
204 of 2007	5 November 2007 to 2 December 2007	2.6833%
226 of 2007	3 December 2007 to 3 February 2008	2.3333%
22 of 2008	4 February 2008 to 2 March 2008	1.2500%
46 of 2008	On or after 3 March 2008	1.0500%