

## 9 Legislative Amendments

The following pieces of legislation enacted during the year 2016-17 are related to matters under the purview of the Department.

### **Inland Revenue (Amendment) Ordinance 2016 (Ordinance No. 8 of 2016)**

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the Budget for the 2016-17 financial year:

- to increase the basic allowance and single parent allowance from \$120,000 to \$132,000, and married person's allowance from \$240,000 to \$264,000;
- to increase the allowance granted for maintaining a parent/grandparent aged 60 or above from \$40,000 to \$46,000, and the additional allowance granted for residing continuously with that parent/grandparent from \$40,000 to \$46,000;
- to increase the allowance granted for maintaining a parent/grandparent aged between 55 and 59 from \$20,000 to \$23,000, and the additional allowance granted for residing continuously with that parent/grandparent from \$20,000 to \$23,000;
- to increase the maximum deduction amount of elderly residential care expenses from \$80,000 to \$92,000; and
- to reduce the amounts of salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2015-16 by 75%, subject to a maximum of \$20,000 in each case.

### **Inland Revenue (Amendment) (No. 2) Ordinance 2016 (Ordinance No. 12 of 2016)**

This Ordinance amended the Inland Revenue Ordinance to enable, under specified conditions, the deduction of interest payable on money borrowed from a non-Hong Kong associated corporation by a corporation carrying on in Hong Kong an intra-group financing business. It further set a concessionary profits tax rate for qualifying corporate treasury centres and clarified profits tax and stamp duty treatments in respect of regulatory capital securities issued by banks to comply with the Basel III capital adequacy requirements.

### **Inland Revenue (Amendment) (No. 3) Ordinance 2016 (Ordinance No. 22 of 2016)**

This Ordinance amended the Inland Revenue Ordinance to put in place a legal framework for the implementation of the international standard for automatic exchange of financial account information in tax matters in Hong Kong.



## **Inland Revenue Ordinance (Amendment of Schedule 17E) Notice 2016**

This Notice amended Schedule 17E to the Inland Revenue Ordinance in relation to automatic exchange of financial account information in tax matters by:

- adding 2 jurisdictions to the list of reportable jurisdictions; and
- adding 100 jurisdictions to the list of participating jurisdictions.

## **Securities and Futures (Amendment) Ordinance 2016 (Ordinance No. 16 of 2016)**

This Ordinance amended various enactments to provide a legal framework for introducing an open-ended fund company structure in Hong Kong. The relevant provisions will come into operation on a date to be appointed by the Secretary for Financial Services and the Treasury in the Gazette Notice.

## **International Organizations (Privileges and Immunities) (Asian Infrastructure Investment Bank) Order (Legal Notice No. 52 of 2016)**

This Order was to give effect to the privileges and immunities, including exemption from taxation, accorded to the Asian Infrastructure Investment Bank and its officers and employees under Chapter IX of the Articles of Agreement of the Asian Infrastructure Investment Bank.

## **Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income) Order**

Country	Date of Order	Nature
Romania	26 April 2016	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income
Russia	26 April 2016	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income