

Legislative Amendments

The following legislations enacted during 2011-12 are related to matters under the purview of the Department.

Inland Revenue (Amendment) (No. 2) Ordinance 2011 (Ordinance No. 9 of 2011)

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the Budget for the 2011-12 financial year:

- (i) to increase the child allowance from \$50,000 to \$60,000 for each child, and the additional child allowance in the year of birth from \$50,000 to \$60,000 for each child;
- (ii) to increase the allowance granted for maintaining a parent/grandparent aged 60 or above from \$30,000 to \$36,000, and the additional allowance granted for residing continuously with a parent/grandparent aged 60 or above from \$30,000 to \$36,000;
- (iii) to increase the allowance granted for maintaining a parent/grandparent aged between 55 to 59 from \$15,000 to \$18,000, and the additional allowance granted for residing continuously with a parent/grandparent aged between 55 to 59 from \$15,000 to \$18,000;
- (iv) to increase the maximum deduction amount of elderly residential care expenses from \$60,000 to \$72,000; and
- (v) to reduce the amounts of salaries tax and tax under personal assessment payable for the year of assessment 2010-11 by 75%, subject to a ceiling of \$6,000 per case.

Stamp Duty (Amendment) Ordinance 2011 (Ordinance No. 14 of 2011)

This Ordinance amended the Stamp Duty Ordinance with the objective to curb short-term speculative activities in the local property residential property market by:

- (i) imposing a special stamp duty on top of the ad valorem stamp duty on the point of resale in respect of a residential property that is acquired on or after 20 November 2010 and then resold within 24 months after the acquisition; and
- (ii) extending the cancellation of deferral arrangement for payment of stamp duty to agreements for sale of residential property valued at \$20 million or below.

Inland Revenue (Amendment) (No. 3) Ordinance 2011 (Ordinance No. 21 of 2011)

This Ordinance amended the Inland Revenue Ordinance to implement the 2010-11 Budget initiative in respect of profits tax deduction for capital expenditure incurred on the purchase of copyrights, registered designs or registered trade marks. It also modified the provisions governing profits tax deduction for capital expenditure incurred on the purchase of patent rights and rights to any know-how; and provided for incidental matters.

Revenue (Reduction of Business Registration Fees) Order 2012 (Legal Notice No. 15 of 2012)

This Order reduced the fees payable in respect of business registration certificates and branch registration certificates that commence on or after 1 April 2012 but before 1 April 2013. However, for simultaneous business registration applications of companies incorporated under the Companies Ordinance, the reduction is applicable to the business registration fee payable on the applications for incorporation that are made on or after 1 April 2012 but before 1 April 2013.

Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income/ Taxes on Income and Capital) Orders

Country	Date of Order	Nature
Japan	12 April 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income
France	3 May 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital
Liechtenstein	3 May 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital
New Zealand	3 May 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income
Czech	8 November 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income
Portugal	8 November 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income
Spain	8 November 2011	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income

Specification of Arrangements (Avoidance of Double Taxation on Income and Capital and Prevention of Fiscal Evasion) (Amendment) Order

Country	Date of Order	Nature
Luxembourg	3 May 2011	Avoidance of Double Taxation on Income and Capital and Prevention of Fiscal Evasion