

The following pieces of legislation enacted during the year 2015-16 are related to matters under the purview of the Department.

### **Inland Revenue (Amendment) Ordinance 2015 (Ordinance No. 10 of 2015)**

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the Budget for the 2015-16 financial year:

- (1) to increase the child allowance from \$70,000 to \$100,000 for each child, and the additional child allowance in the year of birth from \$70,000 to \$100,000 for each child with effect from the year of assessment 2015-16; and
- (2) to reduce the amounts of salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2014-15 by 75%, subject to a maximum of \$20,000 in each case.

### **Inland Revenue (Amendment) (No. 2) Ordinance 2015 (Ordinance No. 13 of 2015)**

This Ordinance amended the Inland Revenue Ordinance to extend profits tax exemption for offshore funds to offshore private equity funds. Offshore private equity funds are exempted from profits tax in respect of profits derived from specified transactions carried out from 1 April 2015 onwards.

### **Inland Revenue (Amendment) (No. 3) Ordinance 2015 (Ordinance No. 17 of 2015)**

This Ordinance amended the Inland Revenue Ordinance to enhance the tax appeal mechanism and improve the efficiency and effectiveness of the Board of Review (Inland Revenue Ordinance) (the Board), in four areas:

- (1) empower the person presiding at the hearing of an appeal before the Board to give directions on the provision of documents and information for the hearing;
- (2) allow an appeal against the decision of the Board on a question of law to go direct to the Court of First Instance or, if applicable, the Court of Appeal, by abolishing the case stated procedure under the Board;
- (3) confer privileges and immunities on the Chairman, Deputy Chairmen and other members of the Board, and the parties to a hearing as well as other persons appearing before the Board; and
- (4) raise the ceiling of costs to be paid by the appellant as may be ordered by the Board from \$5,000 to \$25,000, to strengthen the deterrent effect against frivolous appeals.

This Ordinance became effective on 1 April 2016.

## Revenue (Reduction of Business Registration Fees) Order 2016 (Legal Notice No. 37 of 2016)

This Order reduced the fees payable in respect of business registration certificates and branch registration certificates that commence on or after 1 April 2016 but before 1 April 2017. However, for simultaneous business registration applications of companies incorporated under the Companies Ordinance, the reduction is applicable to the business registration fees payable on the incorporation submissions that are made on or after 1 April 2016 but before 1 April 2017.

## Inland Revenue (Exchange of Information relating to Taxes) Order

Country	Date of Order	Nature
Denmark	22 September 2015	Exchange of Information relating to Taxes
Faroes	22 September 2015	Exchange of Information relating to Taxes
Greenland	22 September 2015	Exchange of Information relating to Taxes
Iceland	22 September 2015	Exchange of Information relating to Taxes
Norway	22 September 2015	Exchange of Information relating to Taxes
Sweden	22 September 2015	Exchange of Information relating to Taxes

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

Country	Date of Order	Nature
South Africa	12 May 2015	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income
United Arab Emirates	12 May 2015	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income

## Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income) (Amendment) Order 2015

Country	Date of Order	Nature
Japan	12 May 2015	Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income

## Specification of Arrangements (Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income) (Fourth Protocol) Order

Country	Date of Order	Nature
Mainland of China	22 September 2015	Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income