

chapter 10

Legislative Amendments

The following pieces of legislation enacted during the year 2021-22 are related to matters under the purview of the Department.

Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Ordinance 2021 (Ordinance No. 9 of 2021)

This Ordinance amended the Inland Revenue Ordinance to give profits tax and salaries tax concessions in relation to eligible carried interest received by, or accrued to, qualifying persons and qualifying employees on or after 1 April 2020 from the provision of investment management services to certified investment funds or specified entities.

Revenue (Tax Concessions) Ordinance 2021 (Ordinance No. 10 of 2021)

This Ordinance amended the Inland Revenue Ordinance to give effect to a proposal concerning tax concessions in the Budget for the 2021-22 financial year to reduce the amounts of salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2020-21 by 100%, subject to a maximum of \$10,000 in each case.

Revenue (Stamp Duty) Ordinance 2021 (Ordinance No. 16 of 2021)

This Ordinance amended the Stamp Duty Ordinance to raise the rate of stamp duty payable on contract notes for sale or purchase of Hong Kong stock from 0.1 per cent to 0.13 per cent of the consideration or value of each transaction payable by buyers and sellers respectively with effect from 1 August 2021. It also correspondingly raised the rate of stamp duty payable on certain other transfers of such stock.

Inland Revenue (Amendment) (Miscellaneous Provisions) Ordinance 2021 (Ordinance No. 18 of 2021)

This Ordinance amended the Inland Revenue Ordinance to provide for tax treatments in relation to amalgamation of companies under Division 3 of Part 13 of the Companies Ordinance and the transfer or succession of certain capital assets; and to enhance the mechanisms for furnishing returns required under the Inland Revenue Ordinance and the current provisions for deduction of foreign tax paid in respect of certain income, profits or gains.

Securities and Futures (Amendment) Ordinance 2021 (Ordinance No. 33 of 2021)

This Ordinance amended the Securities and Futures Ordinance and subsidiary legislation made under that ordinance to introduce a mechanism for the re-domiciliation of fund corporations incorporated outside Hong Kong so as to become open-ended fund companies under that ordinance. To give effect to the provisions of this Ordinance on business registration, the relevant provisions of the Business Registration Ordinance and the Business Registration Regulations have been amended.

Limited Partnership Fund and Business Registration Legislation (Amendment) Ordinance 2021 (Ordinance No. 34 of 2021)

This Ordinance amended the Limited Partnership Fund Ordinance to introduce a mechanism for the re-domiciliation of funds set up outside Hong Kong in the form of limited partnerships so as to become limited partnership funds under that ordinance. It also amended the Business Registration Ordinance and the Business Registration Regulations to provide for simultaneous business registration applications on registration of limited partnership funds. The relevant provisions about simultaneous business registration applications shall come into operation on a date appointed by the Secretary for Financial Services and the Treasury in a Gazette Notice.

Exemption from Profits Tax (Shenzhen Municipal People's Government Debt Instrument) Order (Legal Notice No. 3 of 2022)

This Order exempted a person from the payment of profits tax chargeable under Part 4 of the Inland Revenue Ordinance in respect of sums received by, or accrued to, the person as interest or profits arising from a debt instrument issued in Hong Kong by the Shenzhen Municipal People's Government.

Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2022 (Legal Notice No. 26 of 2022)

This Order reduced the fee payable in respect of a business registration certificate or branch registration certificate with a date of commencement that falls within the period of 12 months beginning on 1 April 2022 (concession period). For simultaneous business registration application of a company incorporated under the Companies Ordinance or an open-ended fund company incorporated under the Securities and Futures Ordinance, the reduction is applicable to the business registration fee payable in relation to an incorporation submission made within the concession period. The reduction amount on business registration fee payable is \$2,000 for business registration certificate and \$73 for branch registration certificate.

Tax Reserve Certificates (Rate of Interest) (Consolidation) (Amendment) Notices

Legal notice no.	Periods in force	Annual rate of interest
49 of 2021	7 April 2021 to 2 May 2021	0.1167%
54 of 2021	3 May 2021 to 6 June 2021	0.0833%
85 of 2021	On or after 7 June 2021	0.0500%