

## Notes to Applicants

### For applications of recognition of tax exemption status under section 88 of the Inland Revenue Ordinance (“IRO”)

1. A charity’s governing instrument is a formal document setting out the key provisions regarding the charity’s administration such as the charitable purposes or objects, composition of the governing body and how the meetings will be held. The type of governing instrument depends on the legal structure that is chosen by the charity. It may have different names depending on the type of structure (e.g. **Articles of Association** in the case of a limited company, **ordinance** where the body is established by statute, **trust deed** in the case of a trust, or **constitution** in the case of a society). Please refer to paragraph 16 of the [“Tax guide for charitable institutions and trusts of a public character”](#) for details.
2. Generally, charitable purposes are classified into four heads, namely (a) relief of poverty; (b) advancement of education; (c) advancement of religion and (d) other purposes of a charitable nature beneficial to the Hong Kong community not falling under any of the preceding heads. To be eligible for tax exemption recognition under section 88 of the IRO, **all** purposes must be charitable. For more information on writing charitable purposes in the governing instrument, please refer to [“Guidance on writing charitable purposes in the governing instrument”](#).
3. For the examples of the other crucial clauses which are generally contained in a charity’s governing instrument, please refer to [“Examples of clauses generally contained in a charity’s governing instrument”](#).
4.
  - (a) The financial statements submitted should contain a detailed breakdown of the entity’s income and expenditure. Otherwise, a separate breakdown with such details should be submitted.
  - (b) Audited financial statements should be provided if the entity to be exempted is a company incorporated under the Companies Ordinance (Cap. 622) or the entity’s governing instrument contains provisions requiring the preparation of audited financial statements.
  - (c) If the entity to be exempted has been established for less than 18 months but has in fact prepared financial statements, such financial statements should also be submitted.
5. Taking over the liabilities of others may put the assets of the entity to be exempted at risk, as the performance of others is out of the entity’s control.
6. A **certified true copy** is a copy of the original document that has been verified and

certified by an authorised person of the entity to be exempted (e.g. a director, a company secretary) or a qualified professional (e.g. a certified public accountant, a solicitor) as a true copy of the original document. A certified copy of document will bear the date and signature of the certifying party.

7. It is necessary to describe clearly the activities that the entity to be exempted undertakes and to demonstrate how they work towards the charitable purposes of the entity. In general, the list of activities (including making donations for charitable purposes) should include information such as date and venue of the activities, the beneficiaries and their relationship with the entity (if any), brief details and purpose of the activities, and how the activities are compatible with the claimed charitable purposes for which the entity is established. Alternatively, if there are other documents that can show the aforesaid details of the activities (e.g. annual report, newsletter), you may also provide them for the Department's consideration. Do not include the internal or administrative activities of the entity (e.g. directors' meetings regarding internal operations) which do not directly further the charitable objects.
8. Governing body members form the body which has general control and management of the entity to be exempted. They are commonly called board members, directors, committee members or trustees.
9. This declaration should be completed by a member of the governing body of the entity to be exempted (i.e. director, office bearer or trustee) or the proposed members of the governing body if the entity has not yet been established.
10. The completed application form together with the required documents should be sent to the Commissioner of Inland Revenue, G.P.O. Box 132, Hong Kong.
11. If you have any enquiries, please contact the Charitable Donations Section at 2594 5300 or [taxinfo@ird.gov.hk](mailto:taxinfo@ird.gov.hk).

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