

Form I.R. 56M

- You report remuneration of your employees on I.R. 56B. And, you report payments for service to non-incorporated service providers on I.R. 56M.
- Reporting of payments to non-incorporated service providers
 - ✧ In the course of the year you may have engaged the service of persons who are not your employees, such as
 - sub-contractors
 - consultants
 - agents
 - brokers
 - freelance artists/entertainers/sportsmen/writers.

You have to file **I.R. 6036B** and **I.R. 56M** to report your payments to them. In addition, you should provide the service provider concerned with a copy of the I.R. 56M so as to facilitate the correct completion of the service provider's tax return.

- ✧ Many of these service providers operate on very small scale and their income is below their personal allowances. Hence, it is not cost-effective for IRD to request you to report for every service provider. On the other hand, the amounts you paid may be relatively insignificant. For example, you may be paying a cleaning contractor \$1,000 per month for office cleaning service. Hence, IRD has to set perimeters for reporting.
- ✧ You must report if the amount of payment to
 - a sub-contractor exceeds \$200,000 per annum; or
 - a consultant, agent, broker, freelance artist, entertainer, sportsman or writer etc. exceeds \$25,000 per annum.
- ✧ You should report amounts according to the year of assessment, namely, from 1 April to the following year's 31 March. Please note that your annual accounting date may not be the 31 March and you have to calculate a figure for reporting.
- ✧ You have to report if the service provider is
 - an individual
 - a partnership business
 - a sole proprietorship business

✧ *Disguised employment, using a service company as a shield*

You are not required to report if the service provider is a corporation. However, you should bear in mind that when you engage the personal service of an individual under a contract of service with a corporation controlled by that individual, you may have to report the remuneration paid in respect of that person's service, if section 9A of the Inland Revenue Ordinance is applicable. This is the case even if you have paid the corporation and received a receipt issued in the name of the corporation. Such remuneration should be reported by I.R. 56B instead of I.R. 56M – for criteria as to amount, you should refer to the requirements for I.R. 56B.

➤ Reporting of remuneration to service providers

- ✧ You should prepare an I.R. 56M in respect of each individual service provider to cover the whole year's remuneration. If that provider was paid in foreign currency, report an equivalent amount in Hong Kong dollar.
- ✧ You should prepare a control list - I.R. 6036B.
- ✧ The I.R. 6036B and I.R. 56Ms should be submitted together with your I.R. 56Bs under cover of B.I.R. 56A.
- ✧ If there is no I.R. 56B to submit, you should insert on the B.I.R. 56A "NIL" as the number for I.R. 56B. Then, attach I.R. 6036B and I.R. 56Ms to the B.I.R. 56A for filing.
- ✧ For recipients who are in business, report
 - the name of the business
 - the Business Registration Number
 - business / correspondence address
- ✧ For recipients who are individuals, report
 - his name (as shown on his identity card)
 - residential address and correspondence address
 - Hong Kong Identity Card number
- ✧ I.R. 6036B and I.R. 56Ms should be signed by:-
 - the Proprietor for a sole-proprietorship
 - the Precedent Partner for a partnership
 - the Secretary/Manager/Director/Liquidator for a corporation
 - the Principal Officer for a body of persons

- If you need to complete I.R. 6036B and I.R. 56M and do not have them
 - ✧ I.R. 6036B and I.R. 56Ms will normally be sent together with forms B.I.R. 56A and I.R. 56B in April each year, if you have lodged these forms in previous years. If you require these forms to be sent to you, [click here](#).

- If you wish to amend the information previously reported on I.R. 56M
 - ✧ You may
 - furnish a revised I.R. 56M, or
 - furnish a written notification of amendment

Note that fax copy and photocopy is NOT acceptable.

 - ✧ You should also state clearly “Amendment of Form I.R. 56M furnished on dd/mm/year” and the sheet number of the form.
 - ✧ You should provide to the service provider concerned a copy of the revision to/replacement form I.R. 56M so as to facilitate the correct completion of income in his/her own tax return.