

**HONG KONG SPECIAL ADMINISTRATIVE REGION**

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**ORDINANCE NO. 1 OF 2010**L.S.

Donald TSANG  
Chief Executive  
14 January 2010

An Ordinance to amend the Inland Revenue Ordinance to facilitate the collection and disclosure of information concerning tax of a territory outside Hong Kong under arrangements made with the government of that territory for the avoidance of double taxation, and to provide for related matters.

[15 January 2010]

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Inland Revenue (Amendment) Ordinance 2010.

**2. Commencement**

(1) This Ordinance, except this section and sections 1 and 3(4), comes into operation on a day to be appointed by the Secretary for Financial Services and the Treasury by notice published in the Gazette.

(2) This section and sections 1 and 3(4) come into operation on the day on which this Ordinance is published in the Gazette.

**3. Double taxation arrangements**

(1) Section 49(1) of the Inland Revenue Ordinance (Cap. 112) is amended, in the English text, by repealing “Government” and substituting “government”.

(2) Section 49(1) is amended, in the English text, by repealing “notwithstanding” and substituting “despite”.

(3) Section 49 is amended by adding—

“(1A) If the Chief Executive in Council by order declares that arrangements specified in the order have been made with the government of any territory outside Hong Kong with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, those arrangements shall have effect and, in particular—

- (a) shall have effect in relation to tax under this Ordinance despite anything in any enactment; and
  - (b) for the purposes of any provision of those arrangements that requires disclosure of information concerning tax of that territory, shall have effect in relation to any tax of that territory that is the subject of that provision.”.
- (4) Section 49 is amended by adding—
- “(7) Rules made under subsection (6) are subject to the approval of the Legislative Council.”.

#### **4. Tax credits**

Section 50(1) is amended, in the English text, by repealing “Government” and substituting “government”.

#### **5. Returns and information to be furnished**

(1) Section 51(4)(a) is amended, in the Chinese text, by repealing “規定該人” and substituting “規定該人或該等其他人士”.

- (2) Section 51 is amended by adding immediately after subsection (4)—
- “(4AA) Subsection (4) also applies for the purposes of obtaining full information in regard to any matter (referred to in this subsection as “the matter concerned”) that may affect any liability, responsibility or obligation of any person (referred to in this subsection as “the person concerned”) under the laws of a territory outside Hong Kong concerning any tax of that territory if—
- (a) arrangements having effect under section 49(1A) are made with the government of that territory; and
  - (b) that tax is the subject of a provision of the arrangements that requires disclosure of information concerning tax of that territory,

and, for the purposes of the application of subsection (4) under this subsection, references to “any such matter” and “any such matter as aforesaid” in subsection (4)(a) and (b) are to be construed as references to the matter concerned, and references to “such person” in subsection (4)(a) and (b) are to be construed as references to the person concerned.”.

## **6. Power to issue search warrant**

Section 51B is amended by adding immediately after subsection (1)—

“(1AA) Subsection (1) also applies to any tax (referred to in this subsection as “the tax concerned”) of a territory outside Hong Kong if—

- (a) arrangements having effect under section 49(1A) are made with the government of that territory; and
- (b) the tax concerned is the subject of a provision of the arrangements that requires disclosure of information concerning tax of that territory,

and, for the purposes of the application of subsection (1) under this subsection, a reference to a person’s income or profits chargeable to tax in subsection (1)(a) is to be construed as a reference to a person’s income or profits chargeable to the tax concerned, and a reference to a person’s liability for tax in subsection (1)(i) and (iii) is to be construed as a reference to a person’s liability for the tax concerned.”.

## **7. Penalties for failure to make returns, making incorrect returns, etc.**

(1) Section 80(2)(a) is amended by repealing “or a partnership”.

(2) Section 80(2)(c) is amended by repealing “to tax or the liability of any other person or of a partnership” and substituting “(or the liability of any other person) to tax”.

(3) Section 80 is amended by adding—

“(2D) Any person who without reasonable excuse gives any incorrect information in relation to any matter or thing affecting the person’s own liability (or the liability of any other person) to any tax of a territory outside Hong Kong commits an offence if—

- (a) arrangements having effect under section 49(1A) are made with the government of that territory; and
- (b) that tax is the subject of a provision of the arrangements that requires disclosure of information concerning tax of that territory,

and is liable to a fine at level 3.”.

**8. Additional tax in certain cases**

(1) Section 82A(1)(a) is amended by repealing “or a partnership”.

(2) Section 82A(1)(c) is amended by repealing “to tax or the liability of any other person or of a partnership” and substituting “(or the liability of any other person) to tax”.

**Related Amendment****Personal Data (Privacy) Ordinance****9. Crime, etc.**

Section 58 of the Personal Data (Privacy) Ordinance (Cap. 486) is amended by adding—

“(1A) In subsection (1)(c), “tax” (稅項) includes any tax of a territory outside Hong Kong if—

- (a) arrangements having effect under section 49(1A) of the Inland Revenue Ordinance (Cap. 112) are made with the government of that territory; and
- (b) that tax is the subject of a provision of the arrangements that requires disclosure of information concerning tax of that territory.”.