

財經事務及庫務局
(庫務科)
香港下亞厘畢道
中區政府合署



FINANCIAL SERVICES AND
THE TREASURY BUREAU
(The Treasury Branch)
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29 June 2011

Ms Anita SIT
Clerk to Bills Committee
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong
(Fax: 2121 0420)

Dear Ms SIT,

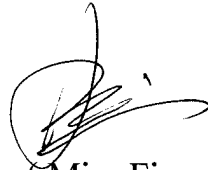
Inland Revenue (Amendment) (No. 2) Bill 2011

As foreshadowed in paragraphs 3 to 6 of the Further Report by the Legal Service Division on Inland Revenue (Amendment) (No. 2) Bill 2011 (LC Paper No. LS42/10-11), the Administration would like to propose relevant Committee Stage Amendments (CSAs) to clauses 5, 6 and 9 of the Inland Revenue (Amendment) (No. 2) Bill 2011 (“the Bill”) in response to the enquiries of the Legal Service Division.

2. Moreover, two bills have been introduced in the current legislative session, including the Bill and the Inland Revenue (Amendment) (No. 3) Bill 2011. These two bills have respectively proposed adding new provisions to section 89 of the existing Inland Revenue Ordinance with a view to introducing new schedule for transitional provisions. Since the Inland Revenue (Amendment) (No. 3) Bill 2011 has already been passed by the Legislative Council on 8 June 2011, we therefore have to introduce technical amendments to clauses 8 and 9 of the Bill to re-number the relevant transitional provisions of the Bill.

3. The above proposed CSAs are listed in Annex for Members' consideration.

Yours sincerely,



(Miss Fiona CHAU)

for Secretary for Financial Services and the Treasury

c.c. Commissioner of Inland Revenue (Attn: Mr Wong Kuen-fai)
Department of Justice (Attn: Miss Betty Cheung)

Inland Revenue (Amendment) (No. 2) Bill 2011

Committee Stage

Amendments to be moved by the
Secretary for Financial Services and the Treasury

<u>Clause</u>	<u>Amendment Proposed</u>
5	By adding before subclause (1)— “(1A) Section 16E(1), before “expenditure”— Add “capital”.”.
5(3)	In the proposed section 16E(2), by adding “capital” before “expenditure”.
5(6)	In the proposed section 16E(3A), by adding “capital” before “expenditure”.
5	By adding— “(9A) Section 16E(5), Chinese text— Repeal “股份” Substitute “部分”.”.

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5(10) In the proposed section 16E(8)(a), by adding “capital” before “expenditure”.

6 In the proposed section 16EC(6), by adding “capital” before “expenditure or”.

6 In the proposed section 16EC(8), in the definition of *associate*, in paragraph (a)(v), by adding—

“(AA) a relative of the first-mentioned person;”.

6 In the proposed section 16EC(8), in the Chinese text, in the definition of *控制*, by deleting “該法團” (wherever appearing) and substituting “首述法團”.

8 In the proposed section 89(7)—

(a) by deleting “(7)” and substituting “(8)”;

(b) by deleting “Schedule 22” and substituting “Schedule 24”.

9 In the heading, by deleting “**Schedule 22**” and substituting “**Schedule 24**”.

9 In the proposed Schedule 22—

(a) by deleting—

“Schedule 22 [s. 89(7)]”

and substituting—

“Schedule 24 [s. 89(8)]”;

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- (b) in section 1—
 - (i) by deleting “(2B) and (4)” and substituting “(2B), (4) and (5)”;
 - (ii) by deleting “5(1), (3), (4), (7) and (8)” and substituting “5(1A), (1), (3), (4), (7), (8) and (9A)”.