

Inland Revenue (Amendment) (No. 4) Bill 2015
Debate and voting arrangements

- Object of the Bill :** To amend the Inland Revenue Ordinance (Cap. 112) and the Stamp Duty Ordinance (Cap. 117) to:
- (a) give profits tax concession to qualifying corporate treasury centres;
 - (b) make provisions for profits tax purposes regarding interests on money borrowed from or lent to associated corporations;
 - (c) treat regulatory capital securities as debt securities; and
 - (d) give stamp duty relief in relation to regulatory capital securities.

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| First debate | : Clauses with no amendment | – Clauses 1, 2, 4 to 7, 9, 10, 11, 15, 16, 17, 19 and 21 to 27 |
| Voting | : To vote on the above clauses standing part of the Bill | |
| Second debate | : Clauses with amendments proposed by the Secretary for Financial Services and the Treasury (“SFST”) | – Clause 3, the heading of Division 2 of Part 2, clauses 8, 12, 13, 14, 18 and 20 |
| Joint debate on the original clauses and the amendments thereto. | | |
| Debate theme: Amendments to the above clauses of the Bill on various matters | | |
| Clause 3, the heading of Division 2 of Part 2 and clause 8 | | |
| - To make textual amendments to the Chinese text of the definition of “intra-group financing business” in the proposed section 14C(1) in clause 3 and the proposed section 16(3) in clause 8(13), and make a corresponding textual amendment to the Chinese text of the heading of Division 2 of Part 2 to align the meanings of the Chinese and English texts of the above provisions. | | |
| Clause 3 | | |
| - To delete the proposed sections 14D(6) and (7) and substitute them with new sections 14D(6) and (7), so that the two consequences of a corporation ceasing to be subject to the concessionary rate under the proposed section 14D(1), i.e. (a) invalidation of the relevant election; and (b) disqualification from the concessionary rate for the subsequent year of assessment, are grouped together under the proposed section 14D(7). | | |
| Clauses 3 and 14 | | |
| - To make textual amendments to the Chinese texts of the proposed sections 14E(5), (6), (7) and (8) in clause 3 and the proposed sections 17C(3)(a), 17C(4), 17D(3)(a) and 17D(4) in clause 14. | | |

Clauses 12, 13, 14, 18 and 20

- To delete the proposed section 17H (Arm's length and separate enterprise principles not prevented from application in other circumstances) in clause 14 to clarify that the proposed sections 17E and 17G will not affect the operation of other provisions under Cap. 112 which apply "arm's length" and "separate enterprise" principles; and
- consequential to the deletion of section 17H, to delete the references to 17H in the following clauses: the proposed section 15(1C) in clause 12(3), the proposed section 16(2AA) in clause 13, the proposed heading and sections 17A(1) and 17B(2) in clause 14, sections 6(b) and 8 of the proposed Schedule 36 in clause 18, and the proposed section 3(1A) in clause 20(2); and to make a textual amendment to the proposed section 15(1C) in clause 12(3).

Voting : To vote on the above amendments together, and then the original clauses or the clauses as amended standing part of the Bill

SFST's amendments

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Council Business Division 3
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