

Goods and Services Tax Bill

A BILL To

Impose a tax on goods and services.

Enacted by the Legislative Council.

PART 1

PRELIMINARY

1. Short title

This Ordinance may be cited as the Goods and Services Tax Ordinance.

2. Interpretation

In this Ordinance, unless the context otherwise requires—
"business" (業務) includes any trade, profession or vocation; and
"tax" (稅、稅款、稅項) means the goods and services tax imposed by this Ordinance.

PART 2

IMPOSITION AND EXTEND OF TAX

3. Goods and services tax

Goods and services tax shall be charged in accordance with the provisions of this Ordinance on the supply of goods and services made in Hong Kong and on the importation of goods into Hong Kong.

4. Scope of tax

(1) Tax shall be charged on any supply of goods or services made in Hong Kong where it is a taxable supply made by a taxable person in the course or furtherance of any business carried by him or her.

(2) A person is a taxable person for the purposes of this Ordinance while he or she is or is required to be registered under section 7.

(3) A taxable supply is a supply of goods or services made in Hong Kong other than an exempt supply under section 8.

(4) Tax on any supply of goods or services is a liability of the person making the supply and (subject to provisions on accounting and payment) becomes due at the time of supply.

(5) Tax on the importation of goods shall be charged, levied and payable as if it were customs duty or excise duty and as if all goods imported into Hong Kong are dutiable and liable to customs duty or excise duty.

5. Rate of tax

Tax shall be charged at the rate of 5% and shall be charged on-

(1) the supply of goods or services, by reference to the value of the supply as determined under this Ordinance; and

(2) the importation of goods, by reference to the value of the goods as determined under this Ordinance.

6. Collection of tax

The Commissioner of Inland Revenue may by notice published in the Gazette specify the manner in which the tax is to be paid.

7. Registration of taxable persons

(1) A person, including any government department or agency, who makes taxable supplies but is not registered is liable to be registered as a taxable person for the purposes of this Ordinance at the end of any quarter where the total value of all his or her taxable supplies made in Hong Kong in that quarter and the 3 quarters immediately preceding that quarter has exceeded \$5 million.

(2) The Commissioner of Inland Revenue may by notice published in the Gazette specify the arrangements for registration of taxable persons.

PART 3

EXEMPTIONS

8. Exemptions

The supply of the following goods and services shall be exempt from tax-

(1) financial services, including the operation of any current, deposit or saving accounts;

(2) any residential property sales and rentals; and

(3) any exports of goods and services.