

Inland Revenue (Amendment) (No. 6) Bill 2017

**Additional Draft Committee Stage Amendments
Proposed by the Government**

Purpose

This paper sets out additional Committee Stage Amendments (“CSAs”) to the Inland Revenue (Amendment) (No. 6) Bill 2017 (“the Bill”) to be moved by the Government.

Proposed CSAs

2. We have furnished a consolidated version of the proposed CSAs to be moved by the Government vide LC Paper No. CB(1)941/17-18(01). As foreshadowed at the 8th Bills Committee meeting held on 23 May 2018, we would like to propose additional CSAs to amend the definition of “intellectual property” under proposed section 15F(5) in the Bill, having regard to the proposed amendments under the Inland Revenue (Amendment) (No. 2) Bill 2018 to expand the scope of section 15(1)(b) and (ba) of the Inland Revenue Ordinance (Cap. 112) (“IRO”) to cover certain additional intellectual property rights which are being considered by the Legislative Council. Subject to the passage of the Inland Revenue (Amendment) (No. 2) Bill 2018 before this Amendment Bill, we will move the relevant CSAs to introduce consequential amendments to the Bill.

3. The draft CSAs and their underlying objective are set out at **Annex A**. A marked-up version is at **Annex B**.

Advice Sought

4. Members are invited to examine the draft CSAs set out in this paper.

**Financial Services and the Treasury Bureau
Inland Revenue Department
May 2018**

Inland Revenue (Amendment) (No. 6) Bill 2017

Committee Stage

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

Clause

Amendment Proposed

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In the proposed section 15F(5)—

- (a) in the definition of *intellectual property*, in paragraph (b), by deleting everything after “material,” and substituting “layout-design (topography) of an integrated circuit, performer’s right, plant variety right, secret process or formula, or other property or right of a similar nature;”;
- (b) in the English text, in the definition of *non-Hong Kong resident person*, by deleting the full stop and substituting a semicolon;
- (c) by adding in alphabetical order—
“*performer* (表演者) has the meaning given by section 200(2) of the Copyright Ordinance (Cap. 528).”.

¹ The definition of “intellectual property” under proposed section 15F(5) is intended to cover all the intellectual properties or rights referred to in section 15(1)(a), (b) and (ba) of the IRO. If the Inland Revenue (Amendment) (No. 2) Bill 2018, which contains amendments to section 15(1)(b) and (ba) of the IRO, is enacted before the present Bill, we need to introduce consequential amendments to section 15F(5).

Inland Revenue (Amendment) (No. 6) Bill 2017

Committee Stage

Amendments to be moved by the Secretary for Financial Services and the Treasury
(Marked-up Version)

[**Note:** This marked-up version is for reference only. In case of discrepancy, the detailed CSAs at Annex A shall prevail.]

15F. Sums derived from intellectual property by non-Hong Kong resident associates

...

- (5)¹ In this section—
- associate* (相聯者) has the meaning given by section 20AC(6);
- intellectual property* (知識產權) means—
- (a) cinematograph or television film or tape, any sound recording, any advertising material connected with such film, tape or recording; or
 - (b) patent, design, trade mark, copyright material, ~~secret process or formula or other property of a similar nature~~; layout-design (topography) of an integrated circuit, performer's right, plant variety right, secret process or formula, or other property or right of a similar nature;
- non-Hong Kong resident person* (非香港居民人士) has the meaning given by section 50AAC(1);
- performer* (表演者) has the meaning given by section 200(2) of the Copyright Ordinance (Cap. 528).

...

¹ The definition of “intellectual property” under proposed section 15F(5) is intended to cover all the intellectual properties or rights referred to in section 15(1)(a), (b) and (ba) of the IRO. If the Inland Revenue (Amendment) (No. 2) Bill 2018, which contains amendments to section 15(1)(b) and (ba) of the IRO, is enacted before the present Bill, we need to introduce consequential amendments to section 15F(5).