

財經事務及庫務局



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By email (cwkip@legco.gov.hk)

5 February 2018

Mr Cliff IP
Assistant Legal Adviser
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr IP,

Inland Revenue (Amendment) (No. 7) Bill 2017 (“the Bill”)

Thank you for your letter of 2 February 2018.

As set out in paragraph 6 of the Legislative Council Brief for the Bill, our policy intent is that profits relating to qualifying debt instruments would not be counted towards the “cap” of \$2 million of assessable profits under the proposed Schedule 8A or 8B. We agree that the Bill may be fine-tuned to reflect this policy intent more clearly. To this end, we will propose Committee Stage Amendments (“CSAs”) to change the references to “assessable profits” in the proposed Schedules 8A and 8B to assessable profits to which section 14 of the Inland Revenue Ordinance applies. Please refer to our separate paper on the draft CSAs.

Yours sincerely,

(Ms Pecvin Yong)

for Secretary for Financial Services and the Treasury

c.c.

Commissioner of Inland Revenue
Department of Justice

(Attn: Mr KK Chiu)

(Attn: Mr Manuel Ng)