



立法會秘書處 法律事務部  
LEGAL SERVICE DIVISION  
LEGISLATIVE COUNCIL SECRETARIAT

來函檔號 YOUR REF : TsyB R 183/535-1/5/0 (18-19) (C)  
本函檔號 OUR REF : LS/B/10/17-18  
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URGENT  
By Fax (2179 5848)

16 March 2018

Ms Pecvin YONG  
Prin AS for Financial Services & the Treasury  
(Treasury)(R1)  
Financial Services and the Treasury Bureau  
The Treasury Branch  
R1 Division  
24/F, Central Government Offices,  
2 Tim Mei Avenue, Tamar, Hong Kong

Dear Ms YONG,

### **Inland Revenue (Amendment) Bill 2018**

We are scrutinizing the legal and drafting aspects of the captioned Bill and shall be grateful if you could clarify the following matters.

We note that under the Bill, in respect of the new grounds for holding over of payment of provisional salaries and profits tax, as well as the proposed one-off reduction of salaries tax, profits tax and tax under personal assessment, a new drafting approach appears to have been adopted.

For previous amendments to the Inland Revenue Ordinance (Cap. 112) to give effect to tax concessions in the Budget in recent years, the practice was to add new schedules containing e.g. provisions on additional grounds for holding over of payment of provisional salaries tax or provisions relating to one-off reduction of certain taxes in respect of a specific year of assessment to which the Budget proposals relate.

We note that under clauses 5 to 8 of the Bill, it appears that a different drafting approach has been adopted, whereby the additional grounds

for holding over of provisional salaries and profits tax would be incorporated into the existing sections 63E and 63J of Cap. 112 respectively (i.e. new sections 63E(2)(ba) to (bd) and 63J(2)(ab)), and that a new section 63CA would be added to provide clarifications as to the meaning of certain references to other provisions of Cap. 112. Please clarify whether a new drafting approach has been adopted in respect of clauses 5 to 8 of the Bill, and explain to Members the rationale for this approach.

It is also noted that under clause 9 of the Bill, instead of providing for the proposed one-off reduction of certain taxes in a schedule as in the past few years, it is proposed that a new section 100 be added for that purpose. In addition, a new Schedule 44 is proposed to be added to Cap. 112 to prescribe the reduction percentages as well as the reduction ceilings for the different taxes. Please clarify whether a new drafting approach has indeed been adopted in respect of clause 9 and whether any proposed one-off reduction of taxes in the future would be implemented by amendment to the new Schedule 44.

Since the Bill would be considered by the House Committee at its meeting on 23 March 2018, it is appreciated that your reply in both English and Chinese could reach us as soon as practicable, preferably before noon on 20 March 2018.

Yours sincerely,



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Assistant Legal Adviser

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