

**立法會**  
***Legislative Council***

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Debate and voting arrangements for  
Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Bill 2020**

Further to LC Paper No. CB(3) 451/19-20 issued on 22 May 2020, I attach a table on the debate and voting arrangements for the captioned Bill for Members' information.

(Dora WAI)  
for Clerk to the Legislative Council

Encl.

**Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Bill 2020**  
**Debate and voting arrangements**

**Object of the Bill :** To amend the Inland Revenue Ordinance (Cap. 112) to give profits tax concessions to qualifying ship lessors and qualifying ship leasing managers; to make provisions for profits tax purposes about businesses in connection with ships; and to make related amendments.

**Joint debate : Clauses with no amendment, and clauses with amendments proposed by Secretary for Transport and Housing (“STH”) – Clauses 1 to 20**

Joint debate on the original clauses and the amendments.

**Debate theme : Tax concessions for ship leasing**

Two amendments to address the recommendations of the Organisation for Economic Co-operation and Development (“OECD”)

**Clause 19**

- To amend the definition of ship leasing activity in section 1(1) in the proposed Schedule 17FA to address the recommendation of OECD that qualifying ship leasing activities carried out by a qualifying ship lessor in Hong Kong should include the core income generating activities as set out in paragraph 8 (financing and leasing regimes) at Annex D (substantial activities in regimes other than intellectual property regimes) of OECD’s 2017 Progress Report on Preferential Regimes; and
- To amend sections 5(a) and (b) and 6(a) and (b) in the proposed Schedule 17FA to address the recommendation of OECD that the principle of “adequacy” should be included in the threshold requirement for the qualifying ship leasing activity and the qualifying ship leasing management activity regarding the number of full-time employees in Hong Kong who carry out the activity and the total amount of operating expenditure incurred in Hong Kong for the activity.

Eight technical and textual amendments

**Clauses 5 and 19**

- To amend the Chinese text of the proposed sections 14T(1)(a) and 14W(4) in clause 5 and that of section 6 in the proposed Schedule 17FA in clause 19 for alignment with the English text.

**Clause 19**

- To amend section 1(1), 1(1)(a), (c), (d), (k) and (m), and to add section 1(1A), in the proposed Schedule 17FA to replace “a corporation” and “the corporation” with “a person” and “the person” in the definition of ship leasing management activity for alignment with the definition of ship leasing manager (which relates to “a person”) in the proposed section 14O(1) in clause 5.

**Voting order** : 1. Clauses with no amendment (i.e. clauses 1 to 4, 6 to 18 and 20) standing part of the Bill  
2. STH's amendments  
3. Clauses 5 and 19 with amendments or without amendment standing part of the Bill

**STH's amendments**

(set out in LC Paper No. CB(3) 451/19-20 issued on 22 May 2020)

Council Business Division 3  
Legislative Council Secretariat  
3 June 2020