

L.N. 190 of 2019

**Exemption from Profits Tax (Feed-in Tariff Scheme)
Order**

(Made by the Chief Executive in Council under section 87 of the
Inland Revenue Ordinance (Cap. 112))

1. Commencement

This Order comes into operation on 1 March 2020.

2. Application

This Order applies in relation to profits tax chargeable for the year of assessment commencing on 1 April 2018 and for all subsequent years of assessment.

3. Interpretation

In this Order—

Feed-in Tariff Scheme (上網電價計劃) means a scheme—

- (a) administered by a power company in accordance with the Scheme of Control Agreement made between the Government and the company on 25 April 2017 (or if any amendment is made to the Agreement, the Agreement as amended from time to time); and
- (b) under which the company may purchase electricity generated by a renewable energy system;

power company (電力公司) means—

- (a) CLP Power Hong Kong Limited; or
- (b) The Hongkong Electric Company, Limited;

qualifying FiT business (合資格上網電價業務)—see section 4;

residential premises (住用處所) means premises in respect of which the class of electricity tariff chargeable by a power company is residential tariff.

4. **Meaning of *qualifying FiT business***

(1) A qualifying FiT business is the participation by an individual in a Feed-in Tariff Scheme administered by a power company in the following circumstances—

- (a) the participation is for the purchase by the company of electricity generated by a renewable energy system installed on any residential premises;
- (b) the individual holds an electricity account in respect of the premises; and
- (c) in relation to the system, all conditions specified in subsection (2) are satisfied.

(2) The conditions are—

- (a) the renewable energy system was not acquired with the funds of another business;
- (b) the system is not used in another business; and
- (c) the system is not recognized as assets in the financial statements of another business.

(3) In subsection (2)—

another business (另一業務) means any other trade, profession or business carried on by the individual in Hong Kong that is not a qualifying FiT business.

5. **Exemption**

An individual is exempt from the payment of profits tax chargeable under Part 4 of the Ordinance in respect of sums received by, or accrued to, the individual as payment by a

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power company for the purchase of electricity generated in the course of a qualifying FiT business carried on by the individual.

Wendy LEUNG
Clerk to the Executive Council

COUNCIL CHAMBER

10 December 2019

Explanatory Note

This Order exempts, subject to certain conditions, an individual from the payment of profits tax chargeable under Part 4 of the Inland Revenue Ordinance (Cap. 112) in respect of the income from selling electricity generated by a renewable energy system to CLP Power Hong Kong Limited or The Hongkong Electric Company, Limited under a Feed-in Tariff Scheme.