

L.N. 42 of 2020

**Inland Revenue Ordinance (Amendment of Section 50A)
Notice 2020**

(Made by the Secretary for Financial Services and the Treasury under section 50A(16A)(b) of the Inland Revenue Ordinance (Cap. 112))

1. Commencement

This Notice comes into operation on 1 January 2021.

2. Inland Revenue Ordinance amended

The Inland Revenue Ordinance (Cap. 112) is amended as set out in section 3.

3. Section 50A amended (interpretation)

Section 50A(7)—

Repeal

everything after “percentage”

Substitute

“is—

- (a) in relation to paragraph (a) of that subsection—
25%;
- (b) in relation to paragraph (b) of that subsection—
0%; and
- (c) in relation to paragraph (c) of that subsection—
0%.”.

James Henry LAU
Secretary for Financial Services
and the Treasury

7 April 2020

Explanatory Note

Section 50A(1) of the Inland Revenue Ordinance (Cap. 112) (*Ordinance*) defines the expression *controlling person*, which is used in Part 8A of the Ordinance. According to paragraph (a), (b)(ii) and (c)(ii) of that definition, certain persons who exercise control over an entity (*Entity A*) or another particular entity are regarded as controlling persons in respect of Entity A.

2. Section 50A(6) of the Ordinance further explains who would be regarded as a person who exercises control over an entity that is a corporation, partnership or trust, or other entity for the purpose of the definition of *controlling person*.
3. This Notice amends section 50A(7) of the Ordinance to reduce the specified percentage mentioned in section 50A(6)(b) and (c) of the Ordinance from 25% to 0%. Section 50A(6)(b) and (c) relates respectively to an entity that is a partnership and trust.
4. The specified percentage mentioned in section 50A(6)(a) of the Ordinance remains unchanged at 25%. That section relates to an entity that is a corporation.