

Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Bill 2022

Debate and voting arrangements

Object of the Bill : To amend the Inland Revenue Ordinance (Cap. 112) (“the Ordinance”) to:

- (a) provide that certain foreign-sourced income would be regarded as arising in or derived from Hong Kong;
- (b) provide for relief against double taxation in respect of certain foreign-sourced income; and
- (c) provide for related and transitional matters.

Joint debate	: Clauses with no amendment and clauses with amendments by the Secretary for Financial Services and the Treasury (“SFST”)	– Clauses 1 to 17
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Joint debate on the original clauses and the amendments.

SFST’s amendments

Clauses 3 and 15

- To amend the definition of “specified foreign-sourced income” (i.e. specified interest, dividend, disposal gain or intellectual property income (“IP income”) arising in or derived from a territory outside Hong Kong) under the proposed new section 15H(1) of the Ordinance to the effect that the foreign-sourced non-IP income derived from or incidental to the carrying out of specified activities of the taxpayers as required under the respective preferential tax regimes would fall outside the scope of “specified foreign-sourced income”;
- To delete the definition of “excluded entity” under the proposed new section 15I of the Ordinance;
- To make corresponding amendments to the definition of “MNE entity” (i.e. a specified multinational enterprise entity) under the proposed new section 15H(1) of the Ordinance; and
- To make other consequential amendments.

Clauses 3, 6, 12, 14 and 17

- To propose drafting amendments to the above clauses.

Voting order	: 1. Clauses with no amendment (i.e. clauses 1, 2, 4, 5, 7 to 11, 13 and 16) standing part of the Bill 2. SFST’s amendments (to amend clauses 3, 6, 12, 14, 15 and 17) 3. Clauses 3, 6, 12, 14, 15 and 17 with or without amendments standing part of the Bill
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SFST’s amendments

(set out in LC Paper No. [CB\(3\)886/2022\(01\)](#) issued on 7 December 2022)