

**L.N. 2 of 2023**

**Exemption from Profits Tax (Debt Instrument Issued by  
Mainland Local People's Government at Any Level)  
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 31 March 2023.

**2. Interpretation**

In this Order—

**Mainland** (內地) means any part of China other than Hong Kong, Macau and Taiwan;

**MLPG debt instrument** (地方人民政府債務票據) means a debt instrument issued in Hong Kong by a local people's government at any level in the Mainland.

**3. Exemption**

- (1) A person 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 person as—
  - (a) interest paid or payable on a MLPG debt instrument;
  - (b) profits on the sale, or other disposal, of a MLPG debt instrument; or
  - (c) profits on the redemption, on maturity or presentment, of a MLPG debt instrument.

Exemption from Profits Tax (Debt Instrument Issued by Mainland Local People's  
Government at Any Level) Order

L.N. 2 of 2023

Section 3

B11

---

- (2) This section applies in relation to profits tax chargeable for any year of assessment commencing on or after 1 April 2022.

Carmen KONG  
Clerk to the Executive Council

COUNCIL CHAMBER

10 January 2023

---

Exemption from Profits Tax (Debt Instrument Issued by Mainland Local People's  
Government at Any Level) Order

Explanatory Note  
Paragraph 1

L.N. 2 of 2023  
B13

---

**Explanatory Note**

This Order exempts a person from the payment of profits tax chargeable under Part 4 of the Inland Revenue Ordinance (Cap. 112) in respect of sums received by, or accrued to, the person as interest or profits arising from a debt instrument issued in Hong Kong by any local people's government at any level in the Mainland.