

Press Release

Inland Revenue (Amendment) (No. 4) Bill 2015 gazetted

Friday, December 4, 2015

The Government published in the Gazette today (December 4) the Inland Revenue (Amendment) (No. 4) Bill 2015, which aims to enhance the existing interest deduction rules for the intra-group financing business of corporations and introduce a concessionary profits tax rate for qualifying corporate treasury centres.

The Bill also seeks to clarify profits tax and stamp duty treatments in respect of regulatory capital securities issued by banks in compliance with Basel III capital adequacy requirements.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "As announced by the Financial Secretary in his 2015-16 Budget, our legislative proposals will provide a conducive environment for attracting multinational and Mainland corporations to centralise their treasury functions in Hong Kong, thereby enhancing the competitiveness of our financial markets.

"The proposals will also foster Hong Kong's development as an international financial centre and business hub, facilitate banks' issuance of relevant securities to comply with international regulatory capital requirements, generate demand for the financial and professional services sectors, and contribute to the development of a headquarters economy in Hong Kong."

The Bill contains relevant anti-avoidance provisions to ensure that the proposals are consistent with the latest international standards to combat base erosion and profit shifting.

The Bill will be introduced into the Legislative Council for first reading on December 16, 2015.

Ends