

**L.N. 69 of 2018**

**Inland Revenue Ordinance (Amendment of Schedule 16)  
Notice 2018**

(Made by the Commissioner of Inland Revenue under section 20AC(5)  
of the Inland Revenue Ordinance (Cap. 112))

**1. Commencement**

This Notice comes into operation on 22 June 2018.

**2. Inland Revenue Ordinance amended**

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

**3. Schedule 16 amended (specified transactions)**

- (1) Schedule 16, English text, Part 1, items 1, 2, 3, 4, 5 and 6—

**Repeal**

“a transaction”

**Substitute**

“A transaction”.

- (2) Schedule 16, Part 1—

**Add**

“7. A transaction in an investee company’s shares carried out through or arranged by a specified person for, or carried out by, a non-resident partner fund.”.

- (3) Schedule 16, English text, Part 2, section 1, definition of *share*—

**Repeal the full stop**

**Substitute a semicolon.**

- (4) Schedule 16, Part 2, section 1—

**Add in alphabetical order**

**“*investee company* (獲投資公司) means—**

- (a) a corporation that has ITVFC and a partner fund as shareholders under the ITVF Scheme; or
- (b) a corporation that—
  - (i) had, at any time, ITVFC and a partner fund (***Fund A***) as shareholders under the ITVF Scheme; and
  - (ii) has, since that time, continued to have a partner fund (whether Fund A or another partner fund) as a shareholder;

***ITVF Scheme* (創基計劃) means the Innovation and Technology Venture Fund Scheme established by the Innovation and Technology Commission;**

***ITVFC* (創基公司) means The Innovation and Technology Venture Fund Corporation incorporated under the Companies Ordinance (Cap. 622);**

***non-resident partner fund* (非居港夥伴基金) means a partner fund that is a non-resident person within the meaning of section 20AB(3);**

***partner fund* (夥伴基金) means a fund that is a party (whether or not through an agent) to an agreement—**

- (a) to which ITVFC is also a party;

- (b) that stipulates the overall rights and obligations of ITVFC and the fund in respect of their participation in the ITVF Scheme; and
  - (c) that is valid and in force;
- specified person* (指明人士) has the meaning given by section 20AC(6).”.

WONG Kuen-fai  
Commissioner of Inland Revenue

24 April 2018

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### **Explanatory Note**

Under subsection (1) of section 20AC of the Inland Revenue Ordinance (Cap. 112) (*Ordinance*), a non-resident person is exempt from profits tax in respect of the person's assessable profits from transactions specified in Part 1 of Schedule 16 to the Ordinance (*Part 1*) if certain conditions set out in that section are satisfied.

2. The main purpose of this Notice is to add a new transaction to the list of transactions specified in Part 1. Minor textual amendments are also made to the English text of Part 1.