

L.N. 267 of 2018

**Exemption from Profits Tax (People's Bank of China
Debt Instrument) 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 1 March 2019.

2. Interpretation

In this Order—

PBoC debt instrument (中國人民銀行債務票據) means a debt instrument issued in Hong Kong by the People's Bank of China.

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 PBoC debt instrument;
 - (b) profits on the sale, or other disposal, of a PBoC debt instrument; or
 - (c) profits on the redemption, on maturity or presentment, of a PBoC debt instrument.
- (2) This section applies in relation to profits tax chargeable for the year of assessment commencing on 1 April 2018 and for all subsequent years of assessment.

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Wendy LEUNG
Clerk to the Executive Council

COUNCIL CHAMBER

18 December 2018

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 the People's Bank of China.