

**L.N. 42 of 2020**

**Inland Revenue Ordinance (Amendment of Section 50A)  
Notice 2020**

(Made by the Secretary for Financial Services and the Treasury under section 50A(16A)(b) of the Inland Revenue Ordinance (Cap. 112))

**1. Commencement**

This Notice comes into operation on 1 January 2021.

**2. Inland Revenue Ordinance amended**

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

**3. Section 50A amended (interpretation)**

Section 50A(7)—

**Repeal**

everything after “percentage”

**Substitute**

“is—

- (a) in relation to paragraph (a) of that subsection—25%;
- (b) in relation to paragraph (b) of that subsection—0%; and
- (c) in relation to paragraph (c) of that subsection—0%.”.

James Henry LAU  
Secretary for Financial Services  
and the Treasury

7 April 2020

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### Explanatory Note

Section 50A(1) of the Inland Revenue Ordinance (Cap. 112) (*Ordinance*) defines the expression *controlling person*, which is used in Part 8A of the Ordinance. According to paragraph (a), (b)(ii) and (c)(ii) of that definition, certain persons who exercise control over an entity (*Entity A*) or another particular entity are regarded as controlling persons in respect of Entity A.

2. Section 50A(6) of the Ordinance further explains who would be regarded as a person who exercises control over an entity that is a corporation, partnership or trust, or other entity for the purpose of the definition of *controlling person*.
3. This Notice amends section 50A(7) of the Ordinance to reduce the specified percentage mentioned in section 50A(6)(b) and (c) of the Ordinance from 25% to 0%. Section 50A(6)(b) and (c) relates respectively to an entity that is a partnership and trust.
4. The specified percentage mentioned in section 50A(6)(a) of the Ordinance remains unchanged at 25%. That section relates to an entity that is a corporation.