Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

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1. **Short title and commencement**

   (1) This Ordinance may be cited as the Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020.

   (2) This Ordinance comes into operation on a day to be appointed by the Secretary for Financial Services and the Treasury by notice published in the Gazette.
2. Inland Revenue Ordinance amended
(1) The Inland Revenue Ordinance (Cap. 112) is amended as set out in sections 3 to 17.

(2) Division and Subdivision headings are added to Part 4 of that Ordinance as set out in the Schedule.

3. Section 2 amended (interpretation)
(1) Section 2(1)—
Repeal the definition of corporation
Substitute
“corporation (法團)—
(a) means any company that is either incorporated or registered under any enactment or charter in force in Hong Kong or elsewhere; and
(b) includes—
(i) Lloyd's; and
(ii) an approved association of underwriters;
but
(c) does not include a co-operative society or a trade union;”.

(2) Section 2(1)—
Add in alphabetical order
“approved association of underwriters (獲認可的承保人組織) means an association of underwriters approved by the Insurance Authority as mentioned in section 6(1)(c) of the Insurance Ordinance (Cap. 41);
Lloyd's (勞合社) has the meaning given by section 2(1) of the Insurance Ordinance (Cap. 41);”.
Section 14AB added

Before section 14B—

Add

“14AB. Qualifying insurance business and insurance brokerage business: interpretation

(1) In this Subdivision—

authorized captive insurer (獲授權專屬自保保險人) means a company that—

(a) is a captive insurer within the meaning of section 2(7)(a) of the Insurance Ordinance (Cap. 41); and

(b) is authorized under section 8 of that Ordinance to carry on in or from Hong Kong insurance business as a captive insurer;

contract of insurance (保險合約) includes a contract referred to in column 3 of Part 3 of Schedule 1 to the Insurance Ordinance (Cap. 41) that is described in that column as a contract other than a contract of insurance;

Note—

For example, contracts for fidelity bonds referred to in that column of class 15.

general insurance business (一般保險業務) means a business of a class specified in Part 3 of Schedule 1 to the Insurance Ordinance (Cap. 41);
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2020年第15号条例

第4条

保陏人 (insurer) 指具有《保险業條例》(第41章) 第2(1)條所給予的涵義；

保陏合約 (contract of insurance) 包括《保险業條例》(第41章) 附表1第3部第3欄所提及而在該欄中並非描述為保陏合約的合約；

附註——
例如，在類別15的該欄中所提及的誠實保證的合約。

持牌保險經紀公司 (licensed insurance broker company)
指具有《保险業條例》(第41章) 第2(1)條所給予的涵義；

指明一般保險業務 (specified general insurance business)
指符合以下說明的業務——
(a) 屬一般保險業務；但
(b) 不屬訂立和執行下述合約的業務：承保附表49指明和描述的任何風險及法律責任的保陏合約；

指明保陏人 (specified insurer) 指在香港或從香港經營《保險業條例》(第41章) 附表1指明的類別的保險業務的以下任何人士——
(a) 根據《保险業條例》(第41章) 第8條，獲保險業監管局授權經營上述業務的公司，但專業再保陏人及獲授權專屬自保保陏人除外；
(b) 勞合社；
(c) 獲認可的承保人組織；

專業再保陏人 (professional reinsurer) 指根據《保險業條例》(第41章) 第8條，只獲授權在香港或從香港經營再保陏業務的公司；

獲授權專屬自保保陏人 (authorized captive insurer) 指符合以下說明的公司——

general reinsurance business (一般再保陏業務) 指一個業務於提供再保陏的風險下，受一個受託方的影響而獲執行一段合約中的業務，並於香港或境外的業務——
(a) 执業於一般保險業務；或
(b) 执業於類似一般保險業務業務於香港或境外。在合約的期間——

insurer (保陏人) 指具有《保險業條例》(第41章) 第2(1)條所給予的涵義；

licensed insurance broker company (持牌保險經紀公司) 指具有《保險業條例》(第41章) 第2(1)條所給予的涵義；

professional reinsurer (專業再保陏人) 指一個業務於授權在或於香港或境外的業務——

qualified regulated activity (合資格受規管活動) 指一個活動於香港或境外——
(a) 指明在第1A部分的《保陏業條例》(第41章)；和
(b) 指明於專業再保陏人或一個指明保陏人在合約的期間於香港或境外的業務。
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(a) is a general insurance business; but
(b) is not a business of effecting and carrying out a contract of insurance that covers any of the risks and liabilities specified and described in Schedule 49;

specified insurer (指明保險人) means any of the following persons carrying on in or from Hong Kong a class of insurance business specified in Schedule 1 to the Insurance Ordinance (Cap. 41)—

(a) a company authorized by the Insurance Authority under section 8 of the Insurance Ordinance (Cap. 41) to carry on the business, except a professional reinsurer and an authorized captive insurer;
(b) Lloyd’s;
(c) an approved association of underwriters;

transaction (交易) includes any operation, scheme, arrangement, understanding and mutual practice (whether express or implied, and whether or not enforceable or intended to be enforceable by legal proceedings).

(2) References in section 14B to a series of transactions include a number of transactions each entered into (whether or not one after the other) in pursuance of, or in relation to, the same matter.

(3) For the purposes of section 14B(2A), a series of transactions is not prevented from being regarded as a series of transactions by means of which a corporation sells or purchases insurance or reinsurance to or from any person, even if one or more of the following applies—
5. Section 14B amended (qualifying reinsurance business and captive insurance business)

(1) Section 14B, heading—

Repeal
“Qualifying reinsurance business and captive insurance business”

Substitute
“Qualifying insurance business and insurance brokerage business: profits tax concessions”.

(2) Section 14B(1)(a)—

Repeal
“or”.

(3) Section 14B(1)(b)—

Repeal the full stop
Substitute a semicolon.
(4) 在第14B(1)(b)條之後——
加入
“(c) 屬該法團以指明保險人身分，得自以下任何業務的
應評稅利潤——
(i) 指明一般保險業務；
(ii) 一般再保險業務；或
(d) 屬該法團以持牌保險經紀公司身分，得自下述業務
的應評稅利潤：進行合資格受規管活動，”。

(5) 第14B(2)(a)條——
廢除
“或 (b)”
代以
“、(b)、(c) 或 (d)”。

(6) 在第14B(2)條之後——
加入
“(2A) 在以下情況下，第1(c)款不適用於某法團得自某
項交易或某一系列交易的應評稅利潤——
(a) 該法團是藉着與某人訂立該項交易或該一系列
交易，而向該人或另一人出售保險或再保險，
或從該人或另一人購買保險或再保險；及
(b) 該法團訂立該項交易或該一系列交易的主要目
的或其中一個主要目的，是逃避或拖延任何繳
付稅項的法律責任，或減少根據該項法律責任
而須繳付的稅項的款額。”。

(4) After section 14B(1)(b)—
Add
“(c) the assessable profits of the corporation derived from
any of the following businesses as a specified
insurer—
(i) specified general insurance business;
(ii) general reinsurance business; or
(d) the assessable profits of the corporation derived from
the business of carrying on a qualifying regulated
activity as a licensed insurance broker company.”.

(5) Section 14B(2)(a)—
Repeal
“or (b)”
Substitute
“, (b), (c) or (d)”.

(6) After section 14B(2)—
Add
“(2A) Subsection (1)(c) does not apply to the assessable
profits of a corporation derived from a transaction
or a series of transaction if—
(a) the corporation enters into the transaction or
the series of transactions with a person for the
sale or purchase of insurance or reinsurance to
or from the person or another person; and
(b) the main purpose, or one of the main purposes,
of the corporation in entering into the
transaction or the series of transactions is to
avoid or postpone any liability to pay tax or
reduce the amount of the liability.”.
6. Section 19C amended (treatment of losses after 1 April 1975)

Section 19C(3A)—
Repeal
“19CA(2)(b)”
Substitute
“19CAB(3)”.

7. Section 19CA substituted

Section 19CA—
Repeal the section
Substitute

“19CA. Treatment of unabsorbed losses under sections 19CAB and 19CAC: interpretation

In this section and sections 19CAB and 19CAC—

adjustment factor (調整分數), in relation to a year of assessment, means the factor calculated in accordance with the formula—
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A 15 of 2020

宽减条文 (concession provision) 指——

(a) 第 14A(1) 條；
(b) 第 14B(1) 條；
(c) 第 14D(1) 條；
(d) 第 14H(1) 條；
(e) 第 14J(1) 條；
(f) 第 14P(1) 條；或
(g) 第 14T(1) 條；

调整分率 (adjustment factor) 就某课税年度而言，指按照以下公式计算所得的分率——

\[
\frac{A}{B}
\]

公式中：

A 指附表 1 或 8 (视何者适用而定) 就该课税年度指明的税率；及

B 就任何获特惠的營業收入而言，指有關的宽减条文就该课税年度指明的税率；

應課稅的一般營業收入 (chargeable normal trading receipts) 就任何课税年度而對任何人而言——

(a) 如該人就该課税年度而言，只有不關乎保險業務的一般營業收入——指該等一般營業收入的款額，經以下調整後所得者——

(i) 減去以下項目的總和——

(A) 根據本部所扣除的支出及開支的款額（以該人在該課税年度的課税基期内，為產生該等一般營業收入而招致者為限）；及

where:  A means the rate specified in Schedule 1 or 8, as may be applicable, for that year of assessment; and

B in relation to any concessionary trading receipts, means the rate specified in the relevant concession provision for that year of assessment;

chargeable concessionary trading receipts (應課稅的獲特惠的營業收入), in relation to any person for any year of assessment, means—

(a) if the assessable profits in respect of the concessionary trading receipts fall within none of the descriptions in sections 14B(1)(a), (b) and (c) and 14P(1)—the amount of the concessionary trading receipts as—

(i) reduced by the aggregate of—

(A) the amount of any outgoings and expenses deductible under this Part to the extent to which they are incurred during the basis period for that year of assessment by the person in the production of the concessionary trading receipts; and
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(B) the amount of any allowances made under Part 6 for that year of assessment to the person to the extent to which the relevant assets are used during the basis period for that year of assessment in the production of the concessionary trading receipts; and

(ii) increased by the amount of any balancing charge directed to be made on the person under Part 6 for that year of assessment to the extent to which the relevant assets are used in the production of the concessionary trading receipts;

(b) if the assessable profits in respect of the concessionary trading receipts fall within the description in section 14B(1)(a), (b) or (c)—the amount of the assessable profits ascertained in accordance with Subdivision 1 of Division 11; and

(c) if the assessable profits in respect of the concessionary trading receipts fall within the description in section 14P(1)—the amount of the assessable profits calculated in accordance with section 14R or 14S;
chargeable normal trading receipts (应课税的一般营业收入)，在任何一年的课税年度内对任何人在任何一年的课税年度，含义为—

(a) if the person has only normal trading receipts that are not in respect of a business of insurance for the year of assessment—the amount of the normal trading receipts as—

(i) reduced by the aggregate of—

(A) the amount of any outgoings and expenses deductible under this Part to the extent to which they are incurred during the basis period for that year of assessment by the person in the production of the normal trading receipts; and

(B) the amount of any allowances made under Part 6 for that year of assessment to the person to the extent to which the relevant assets are used during the basis period for that year of assessment in the production of the normal trading receipts; and

(ii) increased by the amount of any balancing charge directed to be made on the person under Part 6 for that year of assessment to the extent to which the relevant assets are used in the production of the normal trading receipts;
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(b) if the person has only normal trading receipts in respect of a business of insurance for the year of assessment—the amount of the assessable profits of the business ascertained in accordance with Subdivision 1 of Division 11 (excluding sections 23AB and 23AC), as—

(i) reduced by the chargeable concessionary trading receipts of the business, ascertained in accordance with section 23AB; or

(ii) increased by the amount of the unabsorbed loss in respect of the concessionary trading receipts of the business, ascertained in accordance with sections 19D and 23AB;

and

(c) if the person has both the normal trading receipts described in paragraph (a) and the normal trading receipts described in paragraph (b) for the year of assessment—the aggregate of—

(i) the chargeable normal trading receipts ascertained in accordance with paragraph (a) for the normal trading receipts described in the paragraph; and

(ii) the chargeable normal trading receipts ascertained in accordance with paragraph (b) for the normal trading receipts described in the paragraph;

concession provision (寬減條文) means—

(a) section 14A(1);

(b) section 14B(1);

(c) section 14D(1);
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(d) section 14H(1);
(e) section 14J(1);
(f) section 14P(1); or
(g) section 14T(1);

**concessionary trading receipts** (獲惠的營業收入) means any trading receipts and other sums in respect of which assessable profits are chargeable to tax at the rate specified in a concession provision;

**normal trading receipts** (一般營業收入) means any trading receipts and other sums in respect of which assessable profits are chargeable to tax at the rate specified in Schedule 1 or 8;

**unabsorbed loss in respect of the concessionary trading receipts** (關乎獲惠的營業收入的未著廉損), in relation to any person for any year of assessment, means—

(a) if the assessable profits in respect of the concessionary trading receipts fall within none of the descriptions in sections 14B(1)(a), (b) and (c) and 14P(1)—any loss ascertained by—

(i) adding to the amount of the concessionary trading receipts the amount of any balancing charge directed to be made on the person under Part 6 for that year of assessment to the extent to which the relevant assets are used in the production of the concessionary trading receipts; and

(ii) reducing from the resulting amount the aggregate of—

(A) the amount of any outgoings and expenses deductible under this Part to
(c) 如該人就該課稅年度而言，既有 (a) 段所描述的一般營業收入，亦有 (b) 段所描述的一般營業收入——指以下項目的總和——

(i) 按照 (a) 段就該段所描述的一般營業收入確定的虧損；及

(ii) 按照 (b) 段就該段所描述的一般營業收入確定的虧損；

unabsorbed loss in respect of the normal trading receipts (未吸納虧損) 在任何課稅年度對任何人而言——

(a) 如與獲特惠的營業收入相關的應評稅利潤，不 符合第 14B(1)(a)、(b) 及 (c) 及 14P(1) 條當中任何一條的描述——指按以下方式確定的虧損——

(i) 在該等獲特惠的營業收入的款額之上加上以下項目的款額：根據第 6 部所指示，

the extent to which they are incurred during the basis period for that year of assessment by the person in the production of the concessionary trading receipts; and

(B) the amount of any allowances made under Part 6 for that year of assessment to the person to the extent to which the relevant assets are used during the basis period for that year of assessment in the production of the concessionary trading receipts;

(b) if the assessable profits in respect of the concessionary trading receipts fall within the description in section 14B(1)(a), (b) or (c)—any loss ascertained in accordance with section 19D and Subdivision 1 of Division 11; and

(c) if the assessable profits in respect of the concessionary trading receipts fall within the description in section 14P(1)—any loss ascertained in accordance with section 14R or 14S and section 19D;

unabsorbed loss in respect of the normal trading receipts (未吸納虧損)，在 relation to any person for any year of assessment, means—

(a) if the person has only normal trading receipts that are not in respect of a business of insurance for the year of assessment—any loss ascertained by—

(i) adding to the amount of the normal trading receipts the amount of any balancing charge directed to be made on
須就該課稅年度而對該人徵收的結餘課税（以有關的資產用於產生該等獲特惠的營業收入的程度為限）；及
(ii) 從所得款額中，減去以下項目的總和——
(A) 根據本部可扣除的支出及開支的款額（以該人在該課稅年度的評稅基期內，為產生該等獲特惠的營業收入而招致者為限）；及
(B) 該人就該課稅年度，根據第6部獲給予的免稅額（以有關的資產在該課稅年度的評稅基期內，用於產生該等獲特惠的營業收入的程度為限）；

(b) 如與獲特惠的營業收入相關的應評稅利潤，符合第14B(1)(a)、(b)或(c)條的描述——指按照第19D條及第11分部第1次分部確定的虧損；及

the person under Part 6 for that year of assessment to the extent to which the relevant assets are used in the production of the normal trading receipts; and
(ii) reducing from the resulting amount the aggregate of—
(A) the amount of any outgoings and expenses deductible under this Part to the extent to which they are incurred during the basis period for that year of assessment by the person in the production of the normal trading receipts; and
(B) the amount of any allowances made under Part 6 for that year of assessment to the person to the extent to which the relevant assets are used during the basis period for that year of assessment in the production of the normal trading receipts;

(b) if the person has only normal trading receipts in respect of a business of insurance for the year of assessment—any loss ascertained in accordance with section 19D and Subdivision 1 of Division 11 (excluding sections 23AB and 23AC), as—

(i) reduced by the amount of the unabsorbed loss in respect of the concessionary trading receipts of the business, ascertained in accordance with sections 19D and 23AB; or
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8. Sections 19CAB and 19CAC added

Add “19CAB. Treatment of unabsorbed losses: concessionary trading receipts

(1) This section applies if—

(a) a person has chargeable normal trading receipts for any year of assessment; and

(b) there is an unabsorbed loss in respect of the concessionary trading receipts of the person for that year of assessment.
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(2) If the amount of the unabsorbed loss does not exceed the amount arrived at by multiplying the chargeable normal trading receipts by the adjustment factor (adjusted chargeable normal trading receipts amount) —

(a) for the purpose of ascertaining the assessable profits of the person—the chargeable normal trading receipts are to be reduced by an amount arrived at by dividing the amount of the unabsorbed loss by the adjustment factor; and

(b) for other purposes—the amount of the unabsorbed loss is taken to be zero.

(3) If the amount of the unabsorbed loss exceeds the adjusted chargeable normal trading receipts amount—

(a) for the purpose of ascertaining the loss sustained by the person—

(i) the amount of the unabsorbed loss is to be reduced by the adjusted chargeable normal trading receipts amount; and

(ii) the balance of the unabsorbed loss is to be dealt with in accordance with sections 19C and 19CB; and

(b) for other purposes—the chargeable normal trading receipts are taken to be zero.

19CAC. Treatment of unabsorbed losses: normal trading receipts

(1) This section applies if—

(a) a person has chargeable concessionary trading receipts for any year of assessment; and
(b) there is an unabsorbed loss in respect of the normal trading receipts of the person for that year of assessment.

(2) If the amount of the unabsorbed loss does not exceed the amount arrived at by dividing the chargeable concessionary trading receipts by the adjustment factor (adjusted chargeable concessionary trading receipts amount)—

(a) for the purpose of ascertaining the assessable profits of the person—the chargeable concessionary trading receipts are to be reduced by an amount arrived at by multiplying the amount of the unabsorbed loss by the adjustment factor; and

(b) for other purposes—the amount of the unabsorbed loss is taken to be zero.

(3) If the amount of the unabsorbed loss exceeds the adjusted chargeable concessionary trading receipts amount—

(a) for the purpose of ascertaining the loss sustained by the person—

(i) the amount of the unabsorbed loss is to be reduced by the adjusted chargeable concessionary trading receipts amount; and

(ii) the balance of the unabsorbed loss is to be dealt with in accordance with sections 19C and 19CB; and

(b) for other purposes—the chargeable concessionary trading receipts are taken to be zero.”. 
9. **Section 19CB amended (set off: concessionary trading receipts)**

(1) Section 19CB(4), English text, definition of *loss*—

*Repeal the full stop*

*Substitute a semicolon.*

(2) Section 19CB(4)—

*Repeal the definition of* *adjustment factor, concessionary trading receipts and normal trading receipts.*

(3) Section 19CB(4)—

*Add in alphabetical order*

“*adjustment factor* (調整分數) has the meaning given by section 19CA;

*concessionary trading receipts* (獲特惠的營業收入) has the meaning given by section 19CA;

*normal trading receipts* (一般營業收入) has the meaning given by section 19CA.”.

10. **Section 23A substituted**

Section 23A—

*Repeal the section*

*Substitute*
Section 23A.
Ascertainment of assessable profits: non-life insurance business

(1) The assessable profits for any year of assessment of an insurance corporation, whether mutual or proprietary, from a business of insurance other than life insurance (non-life insurance business), are ascertained in accordance with the formula—

\[ P + X - Y \]

where:

\[ P = P_1 - P_2 \]
\[ X = X_1 + X_2 + X_3 \]
\[ Y = Y_1 + Y_2 + Y_3 + Y_4 + Y_5 \]

and where each variable set out in column 1 of the Table represents the amount of the item set out in column 2 of the Table opposite to it.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>( P_1 )</td>
<td>gross premiums from non-life insurance business in Hong Kong</td>
</tr>
<tr>
<td>( P_2 )</td>
<td>the aggregate of any premiums from non-life insurance business in Hong Kong returned to an insured and any premiums paid on corresponding reinsurance</td>
</tr>
<tr>
<td>( X_1 )</td>
<td>interest or other income arising in or derived from Hong Kong</td>
</tr>
<tr>
<td>( X_2 )</td>
<td>balancing charge directed to be made under Part 6</td>
</tr>
<tr>
<td>( X_3 )</td>
<td>reserve for unexpired risks at the commencement of the basis period</td>
</tr>
</tbody>
</table>
### Section 10

**Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020**

**Ord. No. 15 of 2020**

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y₁ reserve for unexpired risks at the end of the basis period</td>
<td>Y₁ reserve for unexpired risks at the end of the basis period</td>
</tr>
<tr>
<td>Y₂ actual losses less any amount recoverable in respect of the losses under reinsurance</td>
<td>Y₂ actual losses less any amount recoverable in respect of the losses under reinsurance</td>
</tr>
<tr>
<td>Y₃ agency expenses in Hong Kong</td>
<td>Y₃ agency expenses in Hong Kong</td>
</tr>
<tr>
<td>Y₄ allowances made under Part 6 to the extent to which the relevant assets are used in the production of the assessable profits</td>
<td>Y₄ allowances made under Part 6 to the extent to which the relevant assets are used in the production of the assessable profits</td>
</tr>
<tr>
<td>Y₅ a fair proportion of any expenses of the head office of the corporation</td>
<td>Y₅ a fair proportion of any expenses of the head office of the corporation</td>
</tr>
</tbody>
</table>

---

(2) However, if the Commissioner is satisfied that it would be unreasonable to require a non-resident insurance corporation to furnish the particulars necessary for ascertaining the assessable profits according to subsection (1) because of the limited extent of the non-life insurance business transacted in Hong Kong by the corporation, subsection (3) applies.

(3) The Commissioner may allow the assessable profits of the corporation from the non-life insurance business to be ascertained—

- (a) by reference to the proportion of the total profits and income of the corporation corresponding to the proportion that its premiums from non-life insurance business in Hong Kong bears to its total premiums; or
- (b) on any other basis that appears to the Commissioner to be fair.

---

**第 1 欄** | **第 2 欄**
---|---
Y₁ | 評税基期結束時的未過期風險儲備金
Y₂ | 實際虧損，減去根據再保險可就該等虧損收回的款額
Y₃ | 在香港支付予代理機構的開支
Y₄ | 根據第 6 部獲給予的免稅額 (以有關的資產用於產生該等應稅稅利潤的程度為限)
Y₅ | 該法團的總辦事處的開支當中，某一公平的份額

(2) 然而，如局長信納，就某個非居於香港的保險法團而言，由於該法團在香港進行交易的非人壽保險業務的規模有限，以致要求該法團提供為按照第 (1) 款確定應稅稅利潤而所需的詳情，屬不合理，則第 (3) 款適用。

(3) 局長可容許按以下方式確定上述法團從上述非人壽保險業務所得的應稅稅利潤——

- (a) 以該法團的總利潤連收入，參照與下述比例相應的比例而確定：該法團從香港非人壽保險業務所得的保費佔其總保費的比例；或
- (b) 按局長認為公平的任何其他基準而確定。
(4) 在本條中——

**保險合約** (contract of insurance) 具有第 14AB(1) 條所給予的涵義；

**從香港非人壽保險業務所得的保費** (premiums from non-life insurance business in Hong Kong) 包括——

(a) 在香港訂立，不屬人壽保險的保險合約所涉及的所有保費；及

(b) 下述合約所涉及的所有保費：不屬人壽保險，其投保建議是向在香港的法團提出的保險合約；

**評稅基期結束時的未過期風險儲備金** (reserve for unexpired risks at the end of the basis period) 指符合以下說明的儲備金——

(a) 在須予確定的應評稅利潤所屬的評稅基期結束時，為有關非人壽保險業務的未過期風險而撥出的；及

(b) 按有關法團就其整體營運，針對上述未過期風險所採用的百分率計算所得的；

**評稅基期開始時的未過期風險儲備金** (reserve for unexpired risks at the commencement of the basis period) 指符合以下說明的儲備金——

(a) 在須予確定的應評稅利潤所屬的評稅基期開始時，為有關非人壽保險業務的未過期風險而撥出，但尚未支付的；及

(b) 按有關法團就其整體營運，針對上述未過期風險所採用的百分率計算所得的。”。

(4) In this section——

**contract of insurance** (保險合約) has the meaning given by section 14AB(1);

**premiums from non-life insurance business in Hong Kong** (從香港非人壽保險業務所得的保費) includes—

(a) all premiums on contracts of insurance, other than life insurance, made in Hong Kong; and

(b) all premiums on contracts of insurance, other than life insurance, the proposals for which were made to a corporation in Hong Kong;

**reserve for unexpired risks at the commencement of the basis period** (評稅基期開始時的未過期風險儲備金) means any reserve that—

(a) is outstanding for the unexpired risks of the non-life insurance business at the commencement of the basis period for which the assessable profits are ascertained; and

(b) is calculated at the percentage adopted by the corporation in relation to its operations as a whole for those unexpired risks;

**reserve for unexpired risks at the end of the basis period** (評稅基期結束時的未過期風險儲備金) means any reserve that—

(a) is set aside for the unexpired risks of the non-life insurance business at the end of the basis period for which the assessable profits are ascertained; and

(b) is calculated at the percentage adopted by the corporation in relation to its operations as a whole for those unexpired risks.”.
Section 11

Section 23AA substituted

Repeal the section

Substitute

“23AA. Mutual insurance corporations

(1) For the purposes of this Part, a mutual insurance corporation is taken to carry on an insurance business.

(2) The surplus from the insurance business is—

(a) to be ascertained in the way provided in sections 23, 23A, 23AB and 23AC for ascertaining assessable profits; and

(b) taken to be assessable profits chargeable to tax under section 14.”.

12. Sections 23AB and 23AC added

After section 23AA—

Add

“23AB. Ascertainment of assessable profits: general reinsurance business or specified general insurance business of specified insurer

(1) The assessable profits for any year of assessment of a specified insurer from a qualifying insurance business are ascertained in accordance with the formula—

\[ P + X - Y \]

where:

\[ P = P_1 - P_2 \]

\[ X = X_1 + X_2 + X_3 \]

\[ Y = Y_1 + Y_2 + Y_3 + Y_4 + Y_5 \]
Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

and where each variable set out in column 1 of the Table represents the amount of the item set out in column 2 of the Table opposite to it.

<table>
<thead>
<tr>
<th>Table</th>
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<tbody>
<tr>
<td>Column 1</td>
</tr>
<tr>
<td>P₁</td>
</tr>
<tr>
<td>P₂</td>
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<tr>
<td>X₁</td>
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<tr>
<td>X₂</td>
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<tr>
<td>X₃</td>
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<tr>
<td>Y₁</td>
</tr>
<tr>
<td>Y₂</td>
</tr>
<tr>
<td>Y₃</td>
</tr>
</tbody>
</table>

而下表第 1 欄列出的每個數字，代表該表第 2 欄中與該數字相對之處列出的項目的款額。

<table>
<thead>
<tr>
<th>表</th>
</tr>
</thead>
<tbody>
<tr>
<td>第 1 欄</td>
</tr>
<tr>
<td>P₁</td>
</tr>
<tr>
<td>P₂</td>
</tr>
<tr>
<td>X₁</td>
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<tr>
<td>X₂</td>
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<tr>
<td>Y₁</td>
</tr>
<tr>
<td>Y₂</td>
</tr>
<tr>
<td>Y₃</td>
</tr>
</tbody>
</table>
Section 12

Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

Ord. No. 15 of 2020

Y₄ allowances made under Part 6 to the extent to which the relevant assets are used in the production of the assessable profits

Y₅ a fair proportion of any expenses of the head office of the specified insurer attributable to the qualifying insurance business

(2) However, if the Commissioner is satisfied that it would be unreasonable to require a non-resident specified insurer to furnish the particulars necessary for ascertaining the assessable profits according to subsection (1) because of the limited extent of the qualifying insurance business transacted in Hong Kong by the specified insurer, subsection (3) applies.

(3) The Commissioner may allow the assessable profits from the qualifying insurance business of the specified insurer to be ascertained—

(a) by reference to the proportion of the total profits and income of the specified insurer corresponding to the proportion that its premiums from the qualifying insurance business bears to its total premiums; or

(b) on any other basis that appears to the Commissioner to be fair.

(4) In this section—

contract of insurance (保險合約) has the meaning given by section 14AB(1);

general reinsurance business (一般再保險業務) has the meaning given by section 14AB(1);

Column 1

Column 2

Y₄ allowances made under Part 6 to the extent to which the relevant assets are used in the production of the assessable profits

Y₅ a fair proportion of any expenses of the head office of the specified insurer attributable to the qualifying insurance business

(2) 然而，局長信納，就某個非居於香港的指明保險人而言，由於指明保險人在香港進行交易的合資格保險業務的規模有限，以致要求指明保險人提供為按照第 (1) 款確定應評稅利潤而所需的詳情，屬不合理，則第 (3) 款適用。

(3) 局長可以容許按以下方式確定上述指明保險人從上述合資格保險業務所得的應評稅利潤——

(a) 以指明保險人的總利潤連收入，參照與下述比例相應的比例而確定：指明保險人從有關合資格保險業務所得的保費佔其總保費的比例；或

(b) 按局長認為公平的任何其他基準而確定。

(4) 在本條中——

一般再保險業務 (general reinsurance business) 具有第 14AB(1) 條所給予的涵義；

合資格保險業務 (qualifying insurance business) 指由指明保險人經營的以下任何業務——

(a) 指明一般保險業務；

(b) 一般再保險業務；

保險合約 (contract of insurance) 具有第 14AB(1) 條所給予的涵義；
premiums from the qualifying insurance business (從有關合資格保險業務所得的保費) includes—
(a) all premiums on contracts of insurance of the qualifying insurance business made in Hong Kong; and
(b) all premiums on contracts of insurance of the qualifying insurance business the proposals for which were made to a specified insurer in Hong Kong;

qualifying insurance business (合資格保險業務) means any of the following businesses carried on by a specified insurer—
(a) specified general insurance business;
(b) general reinsurance business;

reserve for unexpired risks at the commencement of the basis period (評稅基期開始時的未過期風險儲備金) means any reserve that—
(a) is outstanding for the unexpired risks of the qualifying insurance business at the commencement of the basis period for which the assessable profits are ascertained; and
(b) is calculated at the percentage adopted by the specified insurer in relation to its operations as a whole for those unexpired risks;

reserve for unexpired risks at the end of the basis period (評稅基期結束時的未過期風險儲備金) means any reserve that—
(a) is set aside for the unexpired risks of the qualifying insurance business at the end of the basis period for which the assessable profits are ascertained; and
Section 12

Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

(b) is calculated at the percentage adopted by the specified insurer in relation to its operations as a whole for those unexpired risks;

specified general insurance business (指明一般保險業務) has the meaning given by section 14AB(1);

classified insurer (指明保險人) has the meaning given by section 14AB(1).

23AC. Ascertainment of assessable profits under section 23AB: Commissioner’s powers to exclude or apportion certain sums

(1) For the purposes of section 23AB, if the Commissioner is of the opinion that any part of the investment fund or shareholders’ fund of a specified insurer is not required to support a qualifying insurance business of the specified insurer, the Commissioner may exercise the power under subsection (3)(a).

(2) For the purposes of this section or section 23AB, if the Commissioner is of the opinion that an item of allowance, balancing charge, expenditure, gain, income or profit falls to be apportioned between the qualifying insurance business and other businesses of the specified insurer, the Commissioner may exercise the power under subsection (3)(b).

(3) The Commissioner may—

(a) for the purposes of subsection (1)—exclude from the total interest, profits or other income of the qualifying insurance business, a portion of the income, gains or profits derived from the funds referred to in that subsection, as the Commissioner considers reasonable in the circumstances; and
(b) for the purposes of subsection (2)—apportion an item referred to in that subsection as the Commissioner considers reasonable in the circumstances.

(4) In this section—
qualifying insurance business (合資格保險業務) has the meaning given by section 23AB(4);
specified insurer (指明保險人) has the meaning given by section 14AB(1).”.

13. Section 26AB amended (threshold requirements relating to concession condition provisions)
Section 26AB(1)(a)—
Repeal
“or (b)”
Substitute
“, (b), (c) or (d)”.

14. Section 63H amended (amount of provisional profits tax)
Section 63H(1D)—
Repeal
“14B(2)(a)”
Substitute
“14B(2)(b)”.

15. Section 89 amended (transitional provisions)
After section 89(24)—
Add
16. **Schedule 1 amended (standard rate)**

Schedule 1—

**Repeal**

“19CA(4)”

**Substitute**

“19CA”.

17. **Schedules 49 and 50 added**

After Schedule 48—

**Add**
**“附表 49”**

[第 14AB 條]

就第 14AB 條中指明一般保險業務的定義而指明的風險及法律責任

<table>
<thead>
<tr>
<th>第 1 條</th>
<th>第 2 條</th>
<th>第 3 條</th>
</tr>
</thead>
<tbody>
<tr>
<td>風險及法律責任</td>
<td>描述</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>健康風險</td>
<td>某人因疾病或殘疾以致蒙受損失的風險。</td>
</tr>
<tr>
<td>2.</td>
<td>按揭擔保風險</td>
<td>因按揭人拖欠物業按揭貸款，以致提取按揭貸款的人蒙受損失的風險。</td>
</tr>
<tr>
<td>3.</td>
<td>汽車損壞風險</td>
<td>在陸上使用的車輛（包括汽車但不包括鐵路車輛）遭受損失或損壞的風險，或因在陸上使用汽車而出現的或與在陸上使用汽車有關的損壞的風險，包括第三者風險及承運人的法律責任。</td>
</tr>
<tr>
<td>4.</td>
<td>僱員補償法律責任</td>
<td>僱主就僱員在受僱工作期間因工遭遇意外以致受傷或在受僱工作期間因工以致死亡而支付補償的法律責任。</td>
</tr>
</tbody>
</table>

**“Schedule 49”**

[§ 14AB]

**Specified Risks and Liabilities for Definition of Specified General Insurance Business in Section 14AB**

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>Risks and liabilities</td>
<td>Description</td>
</tr>
<tr>
<td>1.</td>
<td>Health risk</td>
<td>The risk of loss to a person attributable to sickness or infirmity.</td>
</tr>
<tr>
<td>2.</td>
<td>Mortgage guarantee risk</td>
<td>The risk of loss to a mortgage loan provider arising from any default in payment by a mortgagor in respect of a mortgage loan for property.</td>
</tr>
<tr>
<td>3.</td>
<td>Motor vehicle damage risk</td>
<td>The risk of loss of or damage to vehicles used on land, including motor vehicles but excluding railway rolling stock, or the risk of damage arising out of or in connection with the use of motor vehicles on land, including third-party risks and carrier’s liability.</td>
</tr>
<tr>
<td>4.</td>
<td>Employees’ compensation liability</td>
<td>The liability of an employer to pay compensation for the injury by accident or for the death of an employee that arises out of and in the course of employment.</td>
</tr>
</tbody>
</table>
Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

Section 17

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>Risks and liabilities</td>
<td>Description</td>
</tr>
</tbody>
</table>

5. Owners’ corporation third-party liability

The liability of a corporation of the owners of flats in a multi-storey building, insofar as the liability relates to the common parts of the building or the property of the corporation, that is incurred by the corporation in respect of the death of, or bodily injury to, any person.

Schedule 50

Transitional Provisions for Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

1. In this Schedule—

\[ \text{commencement date} \] (生效日期) means the date on which the Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020 (15 of 2020) comes into operation.
2. In computing the assessable profits of a corporation that fall within section 14B(1)(c) or (d), sums received by or accrued to the corporation before the commencement date are not to be taken into account.”.

Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

Ord. No. 15 of 2020

Section 17

2020年第15号条例

第17条

2. 在计算某法團第14B(1)(c)或(d)條所指的應評稅利潤時，該法團在生效日期前收取，或在該日期前累算歸予該法團的款項，不計算在內。”。
Schedule

Addition of Division and Subdivision Headings to Part 4 of Inland Revenue Ordinance

1. Part 4, Division 1 heading added
   Before section 14—
   Add
   “Division 1—Charge of Profits Tax”.

2. Part 4, headings added
   Before section 14A—
   Add
   “Division 2—Profits Tax Concessions
   Subdivision 1—Qualifying Debt Instruments”.

3. Part 4, Division 2, Subdivision 2 heading added
   Before section 14AB—
   Add
   “Subdivision 2—Qualifying Insurance Business and
   Insurance Brokerage Business”.

4. Part 4, Division 2, Subdivision 3 heading added
   Before section 14C—
加入

“第3次分部——合資格企業財資中心”。

5. 加入第4部第2分部第4次分部標題
在第14G條之前——
加入

“第4次分部——飛機租賃”。

6. 加入第4部第2分部第5次分部標題
在第14O條之前——
加入

“第5次分部——船舶租賃”。

7. 加入第4部第3分部標題
在第15條之前——
加入

“第3分部——營業收入、營業存貨、證券借用及借出等”。

8. 在第4部中加入標題
在第16條之前——
加入

Add

“Subdivision 3—Qualifying Corporate Treasury Centre”.

5. Part 4, Division 2, Subdivision 4 heading added
Before section 14G—
Add

“Subdivision 4—Aircraft Leasing”.

6. Part 4, Division 2, Subdivision 5 heading added
Before section 14O—
Add

“Subdivision 5—Ship Leasing”.

7. Part 4, Division 3 heading added
Before section 15—
Add

“Division 3—Trading Receipts, Trading Stock, Stock Borrowing and Lending, etc.”.

8. Part 4, headings added
Before section 16—
Add
“Division 4—Deductions
Subdivision 1—Preliminary”.

9. Part 4, Division 4, Subdivision 2 heading added
Before section 16A—
Add
“Subdivision 2—Contributions to Approved Retirement Schemes”.

10. Part 4, Division 4, Subdivision 3 heading added
Before section 16B—
Add
“Subdivision 3—Expenditures on R&D Activities and Payments for Technical Education”.

11. Part 4, Division 4, Subdivision 4 heading added
Before section 16D—
Add
“Subdivision 4—Approved Charitable Donations”.

12. Part 4, Division 4, Subdivision 5 heading added
Before section 16E—
Add
Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Ordinance 2020

Schedule
Section 13

“Subdivision 5—Purchase and Sale of Patent or Intellectual Property Rights”.

13. Part 4, Division 4, Subdivision 6 heading added
Before section 16F—
Add

“Subdivision 6—Expenditure on Building Refurbishment and Prescribed Fixed Assets”.

14. Part 4, Division 4, Subdivision 7 heading added
Before section 16H—
Add

“Subdivision 7—Expenditure on Environmental Protection Facilities”.

15. Part 4, Division 4, Subdivision 8 heading added
Before section 17—
Add

“Subdivision 8—Non-deductible Expenditure”.

16. Part 4, Division 5 heading added
Before section 17A—
Add
“Division 5—Treatment of Regulatory Capital Securities”.

17. Part 4, Division 6 heading added
Before section 18—
Add
“Division 6—Basis Period and Computation of Assessable Profits”.

18. Part 4, Division 7 heading added
Before section 18G—
Add
“Division 7—Treatment of Financial Instruments”.

19. Part 4, Division 8 heading added
Before section 19—
Add
“Division 8—Treatment of Losses”.

20. Part 4, headings added
After section 19E—
Add
“第 9 分部——非居住於香港的人士、基金等”

第 1 次分部——非居住於香港的人士的代理人”。

21. 加入第 4 部第 9 分部第 2 次分部標題
在第 20AB 條之前——
加入
“第 2 次分部——非居住於香港的人士”。

22. 加入第 4 部第 9 分部第 3 次分部標題
在第 20AF 條之後——
加入
“第 3 次分部——基金”。

23. 加入第 4 部第 9 分部第 4 次分部標題
在第 20B 條之前——
加入
“第 4 次分部——就任何非居住於香港的人士的某些利潤而課稅的人”。

24. 加入第 4 部第 9 分部第 5 次分部標題
在第 21 條之前——
加入

“Division 9—Non-resident Persons, Funds, etc.

Subdivision 1—Agent of Non-resident Persons”.

21. Part 4, Division 9, Subdivision 2 heading added
Before section 20AB—
Add
“Subdivision 2—Non-resident Persons”.

22. Part 4, Division 9, Subdivision 3 heading added
After section 20AF—
Add
“Subdivision 3—Funds”.

23. Part 4, Division 9, Subdivision 4 heading added
Before section 20B—
Add
“Subdivision 4—Persons Chargeable in respect of Certain Profits of Non-resident Persons”.

24. Part 4, Division 9, Subdivision 5 heading added
Before section 21—
Add
“第 5 次分部——非居住於香港的人士的某些業務的應評稅利潤”。

25. 加入第 4 部第 10 分部標題
在第 22 條之前——
加入

“第 10 分部——合夥”。

26. 在第 4 部中加入標題
在第 23 條之前——
加入

“第 11 分部——某些業務的應評稅利潤

第 1 次分部——保險”。

27. 加入第 4 部第 11 分部第 2 次分部標題
在第 23B 條之前——
加入

“第 2 次分部——船舶擁有人及飛機擁有人”。

28. 加入第 4 部第 11 分部第 3 次分部標題
在第 24 條之前——
加入

“Subdivision 5—Assessable Profits of Certain Businesses of Non-resident Persons”.

25. Part 4, Division 10 heading added
Before section 22—
Add

“Division 10—Partnerships”.

26. Part 4, headings added
Before section 23—
Add

“Division 11—Assessable Profits of Certain Businesses
Subdivision 1—Insurance”.

27. Part 4, Division 11, Subdivision 2 heading added
Before section 23B—
Add

“Subdivision 2—Ship-owners and Aircraft-owners”.

28. Part 4, Division 11, Subdivision 3 heading added
Before section 24—
Add
29. 加入第 4 部第 12 分部標題
在第 25 條之前——
加入
“第 12 分部——雜項條文”。

“Subdivision 3—Clubs, Trade Associations, etc.”.

29. Part 4, Division 12 heading added
Before section 25—
Add
“Division 12—Miscellaneous Provisions”.