

INLAND REVENUE ORDINANCE (Chapter 112)

(Notice under section 51AA(5) and (6))

In exercise of the powers conferred on me under section 51AA(2) and 51AA(6) of the Inland Revenue Ordinance, Chapter 112 (the Ordinance), I hereby specify that with effect from 1 April 2021:—

in the cases set out in Schedule 1, a return may, subject to the requirements specified in paragraphs (a) and (b) of Schedule 2, be furnished in the form of an electronic record using GovHK under section 51AA(2)(a) of the Ordinance.

The following terms used in this Notice shall have the meanings as stipulated below:—

- GovHK** The information system designated and used by Government for providing specified public services or information online to, and receive electronic information from, members of the community through the internet and other electronic means.
- Gross income** All types of business income including ordinary business income, proceeds from sale of capital assets and other non-taxable receipts whether or not derived from the principal activities.

Schedule 1

(a) Profits Tax Return—Corporations, where:—

- (i) the return is for any year of assessment from 2015/16 to 2020/21 (both inclusive);
- (ii) the corporation's gross income for that year of assessment does not exceed \$2,000,000;
- (iii) the corporation does not have deemed assessable profits pursuant to section 20AE, 20AF, 20AX and/or 20AY of the Ordinance for that year of assessment;
- (iv) the corporation's assessable profits/adjusted loss for that year of assessment do not include any interest, profits/loss arising from short/medium term debt instruments (issued before 1 April 2018) as defined in section 14A(4) of the Ordinance, or any profits/loss of a professional reinsurer, an authorized captive insurer, a specified insurer or a licensed insurance broker company as defined in section 14AB of the Ordinance, or any qualifying profits of a qualifying corporate treasury centre as defined in section 14C of the Ordinance, or any qualifying profits of a qualifying aircraft lessor or a qualifying aircraft leasing manager as defined in section 14G of the Ordinance, or any qualifying profits of a qualifying ship lessor or a qualifying ship leasing manager as defined in section 14O of the Ordinance;
- (v) the corporation does not claim any double taxation relief pursuant to an arrangement specified under section 49(1) or 49(1A) of the Ordinance for that year of assessment;
- (vi) the corporation has not obtained an advance ruling on any of its tax matter in relation to that year of assessment;
- (vii) the corporation has not paid or accrued to a non-resident person any sum for the use of intellectual property specified in section 15(1)(a), (b) or (ba) of the Ordinance or for the assignment of a performer's right specified in section 15(1)(bb) of the Ordinance during the basis period for that year of assessment;
- (viii) the corporation does not claim debt treatment for an arrangement for that year of assessment as an originator or a bond-issuer of a specified alternative bond scheme under section 40AB of and Schedule 17A to the Ordinance;
- (ix) the corporation does not claim deduction for distribution arising from a regulatory capital security for that year of assessment;
- (x) the corporation is not a permanent establishment in Hong Kong of a non-Hong Kong resident person for that year of assessment; and
- (xi) the corporation is not a ship-owner.

(b) Profits Tax Return—Persons Other Than Corporations, where:—

- (i) the return is for any year of assessment from 2015/16 to 2020/21 (both inclusive);
- (ii) the person's gross income for that year of assessment does not exceed \$2,000,000;
- (iii) the person does not have deemed assessable profits pursuant to section 20AE, 20AF, 20AX and/or 20AY of the Ordinance for that year of assessment;
- (iv) the person's assessable profits/adjusted loss for that year of assessment do not include any interest, profits/loss arising from short/medium term debt instruments (issued before 1 April 2018) as defined in section 14A(4) of the Ordinance;
- (v) the person does not claim any double taxation relief pursuant to an arrangement specified under section 49(1) or 49(1A) of the Ordinance for that year of assessment;
- (vi) the person has not obtained an advance ruling on any of its tax matter in relation to that year of assessment;
- (vii) the person has not paid or accrued to a non-resident person any sum for the use of intellectual property specified in section 15(1)(a), (b) or (ba) of the Ordinance or for the assignment of a performer's right specified in section 15(1)(bb) of the Ordinance during the basis period for that year of assessment;
- (viii) the person does not claim debt treatment for an arrangement for that year of assessment as an originator or a bond-issuer of a specified alternative bond scheme under section 40AB of and Schedule 17A to the Ordinance;
- (ix) the person is not a permanent establishment in Hong Kong of a non-Hong Kong resident person for that year of assessment;
- (x) the person is not a ship-owner; and
- (xi) the person is a partnership business which is carried on by a total of not more than 6 partners during the basis period for that year of assessment (including those partners who retired from the partnership during the basis period for that year of assessment) and that all of its partners are individuals.

(c) Tax Return—Individuals, where:—

- (i) the return is for the year of assessment 2018/19, 2019/20 or 2020/21;
- (ii) the individual does not claim tax exemption in respect of part or all of his/her income under salaries tax;
- (iii) the individual does not own any sole proprietorship business with gross income for that year of assessment exceeding \$2,000,000;
- (iv) the individual does not have any deemed assessable profits pursuant to section 20AE, 20AF, 20AX and/or 20AY of the Ordinance for that year of assessment;
- (v) the individual has not obtained an advance ruling on any of his/her tax matter in relation to that year of assessment; and
- (vi) the individual does not claim any double taxation relief pursuant to an arrangement specified under section 49(1) or 49(1A) of the Ordinance for that year of assessment.

(d) Property Tax Return—Property Jointly Owned or Co-owned by Individuals, where:—

- (i) the return is for the year of assessment 2018/19, 2019/20 or 2020/21; and
- (ii) the property is jointly owned or co-owned by two persons only.

Schedule 2

- (a) The manner of generating or sending the electronic record shall comply with the requirements specified in GovHK.
- (b) The digital signature or password shall be affixed to or included with the return as provided in GovHK.

All previous specifications made pursuant to section 51AA(5) and (6) of the Inland Revenue Ordinance, Chapter 112 shall cease to be in force immediately before this specification takes effect.