

L.N. 2 of 2023

**Exemption from Profits Tax (Debt Instrument Issued by
Mainland Local People's Government at Any Level)
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 31 March 2023.

2. Interpretation

In this Order—

Mainland (內地) means any part of China other than Hong Kong, Macau and Taiwan;

MLPG debt instrument (地方人民政府債務票據) means a debt instrument issued in Hong Kong by a local people's government at any level in the Mainland.

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 MLPG debt instrument;
 - (b) profits on the sale, or other disposal, of a MLPG debt instrument; or
 - (c) profits on the redemption, on maturity or presentment, of a MLPG debt instrument.

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Section 3

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- (2) This section applies in relation to profits tax chargeable for any year of assessment commencing on or after 1 April 2022.

Carmen KONG
Clerk to the Executive Council

COUNCIL CHAMBER

10 January 2023

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Explanatory Note
Paragraph 1

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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 any local people's government at any level in the Mainland.