

An aerial photograph of Hong Kong, showing a dense urban landscape with numerous skyscrapers and buildings. The city is set against a backdrop of green, hilly terrain. The water of the harbor is visible in the lower right. The overall color palette is a monochromatic blue-green, with the text in red and brown.

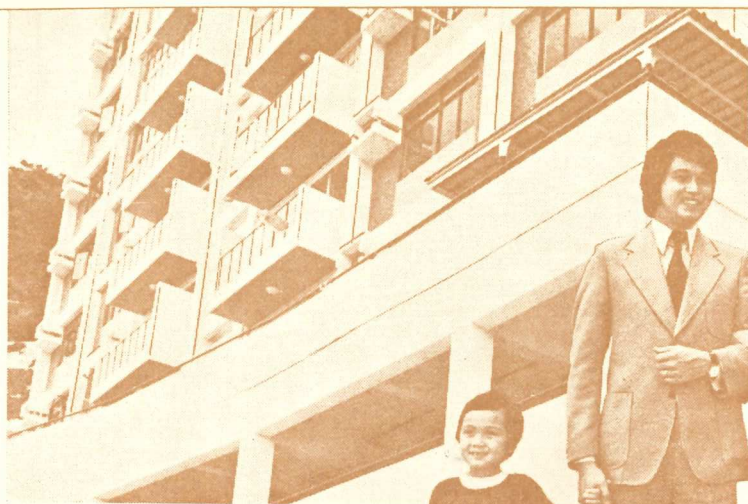
# THE CHINESE ACCOUNTANT 1978

香港華人會計師公會

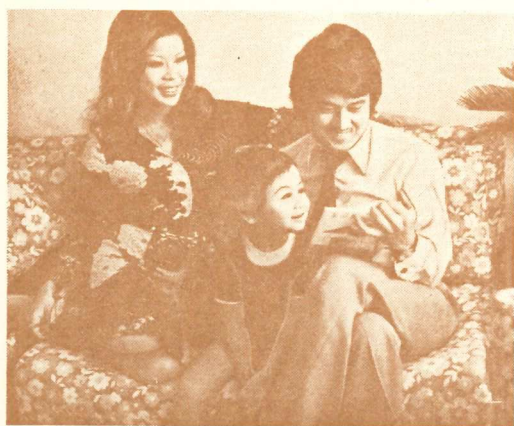
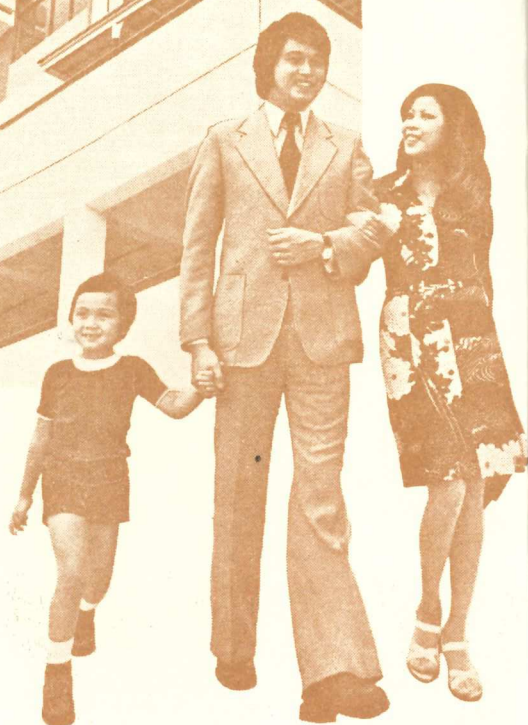
The Society of Chinese Accountants & Auditors

Hong Kong





# 買樓儲蓄 住者有其屋 天天儲蓄 全家均享福



廣安銀行為使市民達到「住者有其屋」之願望，早在十多年前即已首創「買樓儲蓄」此一辦法，鼓勵市民儲蓄置業，普遍受到歡迎。

目前樓價廉宜，確是置業良機，廣安銀行之「買樓儲蓄」辦法簡便，條件優越，欲買樓自住，免長期交租者，請惠臨廣安銀行儲蓄部接洽為荷。



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怡和街12-14號 電話：5-776072  
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大道西222-224號 電話：5-496321  
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彌敦道728-730號 電話：3-944217

深水埗分行  
南昌街140-144號 電話：3-805358  
紅磡分行  
蘇湖街78A號 電話：3-633301  
九龍城分行  
衙前圍道27號 電話：3-824167

油蔴地分行  
佐敦道19-21號 電話：3-858995  
觀塘分行  
協和街149號 電話：3-432266  
葵涌分行  
青山道499號 電話：3-432277  
青山道499號 電話：12-247121/4



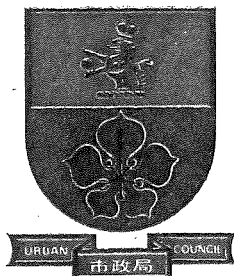
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### Message

The Society of Chinese Accountants and Auditors has a long record of service to the profession by encouraging high ethical standards and disseminating up-to-date knowledge and information in the interest of its membership.

Ever since it was founded in 1913 it has kept pace with development here and its members work with business and industry for the growth and prosperity of Hong Kong and also engage in other voluntary activities in the service of the community. Hong Kong is an example of how people varying in background can come together with goodwill and work decisively for harmony and prosperity.

The Members of the Society of Chinese Accountants and Auditors have a positive role to play in guiding and advising professionally and also in effectively taking part in the many activities which together make Hong Kong what it is.

A. de O. Sales

Hong Kong, 19th August, 1976



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*Council Members of the Society, 1976*



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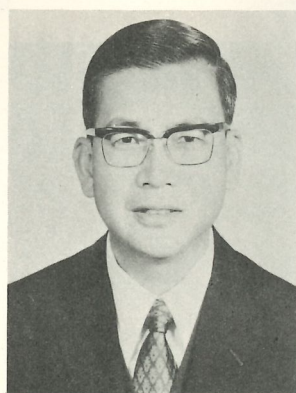
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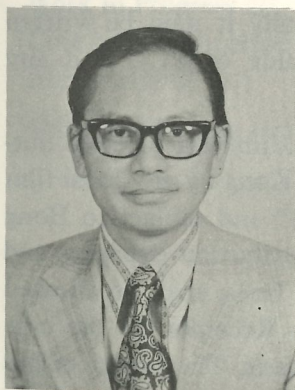
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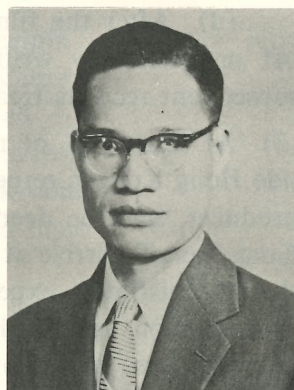
TSO Chak Chun



義務核數師

李兆雄

Robert LEE Shiu Hung  
Hon. Auditor



義務核數師

李慰慈

LI Wai Chi  
Hon. Auditor

## ACCOUNTS AND HONG KONG PROFITS TAX COMPUTATION FOR LOCAL FILM PRODUCERS

MAK HING—CHEUNG, MA, MSCA, CPA, FASA, FHKSA, ATIIHK.

(1) In the individual film account, show the undernoted separate figures:—

1. Value of copyright sold to each place;
2. Value of anticipated sales of copyright to each place;
3. The local first run exhibition receipts;
4. The local second run exhibition receipts;
5. The anticipated local exhibition receipts;
6. Ex Hong Kong exhibition receipts; and
7. Anticipated Ex Hong Kong exhibition receipts.

(2) (a) The production cost of each film is first determined and then the actual sales and anticipated sales of copyright are set off leaving a net cost of production to be considered as the cost to be set off against exhibition earnings.

(b) If all costs are recovered by the sale of copyright the film will be given a nominal value of \$1.— and all subsequent earnings from exhibition or sale are to be regarded as clear profit.

(c) If the film has been exhibited once locally but has not had a second run the stock value will be that proportion of the net cost of production [see (a) above] which the anticipated second run earnings will bear to the anticipated total earnings from both first and second run.

(d) After the film has had its second run locally it may be written off or preferably written down to the nominal value of \$1.— and any subsequent receipts treated as clear profit.

(3) At least 50% of the net profit, arising from exhibition receipts outside Hong Kong in respect of films produced in Hong Kong by any local film producer, shall be deemed as “Manufacturer’s Profit” and subject to Hong Kong Tax. To arrive at this net profit, the actual distribution expenses and the administrative expenses apportioned on income basis, shall be allowed as deduction against the Ex Hong Kong Exhibition Receipts. In the case of a net loss, it is allowed for set-off on the same basis. The producer has considerable capital tied up in the studios and equipment and, at the same time considerable technical skills are used in Hong Kong to produce these films. Therefore, it is reasonable to regard a portion of the ultimate

profit as being applicable to the "production" process carried out in Hong Kong regardless of where the films are distributed.

(4) The so-called Ex Hong Kong Receipts must be those exhibition and hire rental received through licencees or agents who have authority to act for the principals in the foreign countries concerned.

(5) Closing Stock Value of film is calculated as follows:—

$$\text{Cost of film produced} \times \frac{\text{Estimated future receipts}}{\text{All past receipts} + \text{Estimated future receipts}}$$

(6) The Pro Forma Final Accounts and Tax Computation for local film producers are as follows:—

### Pro Forma Computation — Film Producers

#### (1) Own Films Production Trading Account

To Opening stock value		By Receipts:	
of completed films.	....	(a) H.K. Receipts	
Work in Progress b/f	....	All sales of copy-	
Production Cost		right etc.	....
(Excl. depn.)	....	All exhibition &	
	.....	hire rental other	
		than (b)	....
			.....
Work in Progress c/f		(b) Ex H.K. Receipts	
(Cost of uncompleted	....	Exhibition & hire	
film at end of yr.)	.....	rental received	
Gross production profit (Z)	....	through licencees	....
		Closing stock value	
		of completed films	....
	....		....
	== =		== =



## (2) Own Films Production Profit and Loss Account

To Distribution Exp.		By Gross Production profit from	
Actual costs:		own film production	
For exhibition in		Trading A/c.	
H.K.	....	$(Z) \times \frac{a}{a+b}$	....
For exhibition ex			
H.K.	....	$(Z) \times \frac{b}{a+b}$	....
Overheads & finance expenses: (X)			
$(X) \times \frac{a}{a+b+c+d}$	....		....
$(X) \times \frac{b}{a+b+c+d}$	....		....
Net profit:			
H.K. (M)	....		
Ex. H.K. (N)	....		
	=====		=====

## (3) Other Films Trading &amp; Profit &amp; Loss account

To Opening stock value		By Receipts:	
of purchase films	....	(c) H.K. Receipts	
Purchases & copying		All sales of copy-	
costs etc.	....	right etc.	....
Gross profit (Y)	....	All exhibition	
		& hire rental	
		other than (d)	
		below	....
		(d) Ex H.K. Receipts	
		Exhibition & Hire	
		rental received	
		through licences	....
		Closing stock value	
		of purchased films	....
	=====		=====

(X) = Total adjusted overheads excluding expenses in connection with other income.

To Actual distribution costs:		By Gross profit (Y)	
H.K.	....	$(Y) \times \frac{c}{c+d}$	....
Ex H.K.	....		....
Overheads & finance expenses:		$(Y) \times \frac{d}{c+d}$	....
$(X) \times \frac{c}{a+b+c+d}$	....		....
$(X) \times \frac{d}{a+b+c+d}$	....		....
Net profit:			
H.K. (j)	....		....
Ex. H.K. (k)	....		....
	===		===

(X) = Total adjusted overheads excluding expenses in connection with other

### Computation

Assessable H.K. Profit is:— (M) + (J)	....		
Plus: 50% (N)	....		
H.K. other income	....		
Less: Expenses	....	....	....
		=====	
Less: Depreciation allowance see below:			
Production equipment (P)	....		
Other equipment (R)	....	....	....
		=====	=====

**Depreciation allowances**

Allowances first calculated normally on cost –  
then take

$$\text{Production equipment – allowance} \times \frac{a}{a+b} \quad \dots$$

$$\text{Plus} \quad \text{allowance} \times \frac{b}{a+b} \times 50\% = \quad \dots$$

(P)              
      .....

=====

$$\text{Other equipment – allowances} \times \frac{a + \frac{1}{2}b + c}{a + b + c + d} \quad \text{(R)} \quad \dots$$

=====



**CHECKLIST FOR THE COMPANIES (AMENDMENT) (NO. 4)  
ORDINANCE NO. 80 OF 1974**

PREPARED BY STEPHEN LAW & CO

**DIRECTORS' REPORT**

1. **Directors' Names:—**  
Including names of persons who were Directors during financial year.
2. **Principal Activities:—**  
Company and Subsidiaries including significant changes during financial year.
3. **Significant Changes in Fixed Assets:—**  
Company or Subsidiaries during the year.
4. **Issues of Shares or Debentures during financial year:—**  
Number (shares) or amount (Debentures) of each class.  
Consideration received and reasons for making issues.
5. **Interest of Director(s) in Contract with Company:—**  
Contracts subsisted during the year at any time if significant or material.  
Names of Parties; Director; Nature of Contract; Interest of Director.  
Excluding Director's contract of service and where Director's only interest is that of being Directors of both contracting Companies.
6. **Directors' Rights to acquire Shares or Debentures:—**  
in the Company or any other body corporate (where Company is a party). Explain effect of arrangements — names of all persons involved.
7. **Donation:—**  
Total not less than \$1,000 (not applicable to wholly owned subsidiary)
8. **Recommended Dividend**
9. **Proposed transfers to reserves**
10. **Other Material Matters:—**  
Disclose not harmful to business.

## AUDITORS' REPORT

- (1) Opinion whether the company's balance sheet and profit and loss account and (if it is a holding company submitting group accounts) the group accounts have been properly prepared in accordance with the provisions of this Ordinance and give a true and fair view so far as concerns the members of the Company and the state of affairs and of the profit and loss for the financial year.
- (2) Whether proper books of accounts have been kept by the company and proper returns adequate for audit have been received from branches not visited by them.
- (3) Whether the company's balance sheet and (unless it is framed as consolidated profit and loss account) profit and loss accounts are in agreement with the books of accounts and returns.
- (4) Statement, where appropriate, that (2) and (3) above have not been complied with.
- (5) Auditors' right of access at all times to books, accounts, vouchers and to such information and explanations as auditors think necessary to perform their duties.
- (6) Statement, where appropriate, of failure to obtain all necessary information and explanations.

## NOTES TO THE ACCOUNTS

1. Options on Un-issued Shares, Number, description, amount, price, option period.
2. Arrears of fixed cumulative dividends on the Company's shares, and the period.
3. Charge on the assets of the Company to secure the liabilities of any other person, the amount secured.
4. Contingent Liabilities:  
State general nature and amount if material.



5. Future Capital Expenditure:
  - (a) Contracted but not provided.
  - (B) Authorised but not contracted.
6. Valuation
 

Excluding unquoted investments, state year(s) of valuation.  
If current period, state names of valuers (or their qualifications) and bases of valuations.
7. Aggregate amount of assets acquired, disposed of or destroyed during financial year.
8. Land in Hong Kong:
  - (i) Land held on long lease (unexpired and or renewable Crown Lease not less than 50 years)
  - (ii) Land held on medium-term lease (less than 50 years but not less than 10 years)
  - (iii) Land held on short lease (less than 10 years)

Land Outside Hong Kong:

  - (i) Freehold (ii) on Long Lease (iii) On Medium-term Lease
  - (iv) On Short Lease.
9. If current assets have not a value at least equal to the amount stated
10. The market value of the company's quoted investments.
11. Taxation equalisation use for other purpose.
12. Computation of Stock in trade or work in progress carried forward (if material).
13. Basis of conversion of other currencies.
14. Basis for Provision of Hong Kong Profits Tax computed.

### NOTES TO THE ACCOUNTS

(Holding Company)

1. The number, description and amount of shares in and debentures of the company held by its subsidiaries or their nominees.
2. If no group account:—
  - (a) the reasons why subsidiaries are not dealt with in group accounts:—

- (b) the net aggregate amount, so far as concerns members of holding company is not dealt with in Company's accounts, of the subsidiaries' profits after deducting subsidiaries losses (or vice versa)
  - (c) any qualifications contained in the report of the auditors of the subsidiaries.
3. The reasons why the company's directors consider that the subsidiaries financial years should not end with that of the company.
  4. The dates on which the subsidiaries' financial years ending last before that of the company respectively ended or the earliest and latest of those dates.  
(a company shall be deemed to be a fellow subsidiary of another body corporate if both are subsidiaries of the same body corporate but neither is the other's subsidiary)



## PROFIT AND LOSS ACCOUNT

1. **Provision for Depreciation**  
Depreciation provision  
Renewal provision  
(Basis of depreciation provision. Method of depreciation if not by above charge. State if no provision made)
2. **Interest Payable**
  - (a) Bank loans, overdrafts  
Loans:
    - (i) repayable wholly or in part within 5 years
  - (b) Interest on other loans
3. **Taxation**  
Hong Kong Taxation (basis computed)  
Overseas Taxation
4. **Provision for redemption of**
  - (a) Share capital
  - (b) Loans
5. **Reserves**  
Transfer to or from Reserves
6. **Provisions**  
Transfers to provisions (other than Depreciation, etc.)  
Transfers from provisions (not applied to original purpose)
7. **Plant and Machinery Hire Charges** (if material)
8. **Dividends**  
(1) Paid            (2) Proposed
9. **Prior Year Adjustments**
10. **Auditors' Remuneration** (including expenses)
11. **Directors' Emoluments**  
All Directors: Aggregate emoluments for services as Directors.  
Aggregate emoluments for other services  
Aggregate Directors' and past Directors' pensions  
Aggregate payments for loss of office

1. **Income from Investments**  
Quoted Investments  
Unquoted Investments
2. **Rental Income**  
From land and buildings (if substantial part of total revenue) (after deduction of ground-rents, rates and other out-goings)
3. **Turnover** (method by which arrived at)  
(By way of a note, if not otherwise shown)
4. **Exceptional Items** (if material)
  - (a) Unusual transactions
  - (b) Exceptional circumstances
  - (c) Change in basis of accounting.

NOTE: Interest paid out of capital \$ .....  
during the financial year, being .... % on \$. ....  
(Share Capital details)

## BALANCE SHEET

### Authorised Share Capital

#### Issued Share Capital

Any interest has been paid out of capital and the rate  
(if not shown in Profit & Loss Account)

#### Redeemable Preference Shares

Redeemable (Mandatory or Optional)–

Earliest date

Latest date

Premium on Redemption

#### Reserves

Increase – the source

Decrease – the application

#### Capital Redemption Reserve Fund

Amount equivalent to nominal value of shares redeemed  
other than out of proceeds of new issue. Source: profits  
otherwise available for dividend.

#### Share Premium Account

#### Debentures

(a) Nominal amount and book value of Company's Debentures  
held for the Company by a Nominee.

(b) Redeemed Debentures which may be re-issued

**Secured Liabilities:** Assets need not be specified

#### Tax Equalisation Account

**Borrowings:** if repayable (wholly or in part) more than 5  
years from Balance Sheet Date. Term repayable and rate.

#### Current Liabilities

Bank Loans and Overdraft: Total

Recommended Dividend

#### Fixed Assets

at cost or valuation

Less: Aggregate Depreciation

#### Pre 1st October 1975 Assets

Cost cannot be ascertained without unreasonable expense  
or delay.

#### Assets on renewals provision or direct revenue charge basis

means by which provision is made aggregate amount of  
provision

#### Goodwill, Patents and Trade Marks aggregate

#### Quoted Investments

#### Unquoted Investments

#### Shares in Subsidiaries aggregate

#### Subsidiaries Indebtedness aggregate

#### Shares in Fellow Subsidiaries aggregate

#### Current Assets

Loans to Directors and officers of Company: also repay-  
ments during year. Section 48 (b) & (c) )

#### Amounts not Written Off

Preliminary Expenses

Share or Debenture issue expenses

Commission on Shares or Debentures

Debenture Discount

Share Discount

NOTE: There are special provisions for Banking, Insurance and  
Shipping Companies.

## NOTES ON "HONG KONG TAX CASES"

MAK Hing-Wah, BA(HKU), MSCA, CPA, AASA, AHKSA, ATiHK.

## I

The book, "Hong Kong Tax Cases" ("HKTC") published and printed periodically on a continuous basis by the Government Printer of Hong Kong, contains some of the selected cases taken to the Courts under one of the many Ordinances<sup>1</sup> administered by the Inland Revenue Department of Hong Kong ("IRD"), i.e., the Inland Revenue Ordinance<sup>2</sup> ("IRO") which provides, *inter alia*, the levying of only four separate direct taxes, viz., Property Tax, Salaries Tax, Profits Tax and Interest Tax.

HKTC consists of firstly a VOLUME published in June 1970 ("V6/70") containing 14 cases<sup>3</sup> chosen from the 1949-1968 period, followed by a FIRST SUPPLEMENT issued in March 1971 ("1S/3/71") containing 4 more cases<sup>4</sup> selected from the 1964-1970 period, then by a SECOND SUPPLEMENT issued in March 1972 ("2S3/72") comprising another 4 cases<sup>5</sup> taken from the 1966-1971 period, and then by a THIRD SUPPLEMENT issued in July 1974 ("3S7/74") embracing 4 additional cases<sup>6</sup> extracted from the 1972-1973 period.

## II

Thus, since the enactment of the IRO in 1947, out of the many Court cases already occurred in the past 28 years or so, HKTC at the time of the author's writing has released only 26 such Court cases<sup>7</sup> for public information and guidance.

Of the 26 representative cases<sup>8</sup> in the HKTC, all except 3<sup>9</sup> are in essence concerned with Profits Tax. 2 of these exceptional cases<sup>10</sup> deals with Salaries Tax. The Third exceptional case<sup>11</sup> refers to Property Tax. Of course, inter-connections exist. A Profits Tax case in substance, for instance, also touches upon Property Tax.<sup>12</sup> Further, all of these 26 representative cases<sup>13</sup> in one way or another, throw light on practically all or most of the 88 Sections<sup>14</sup> in all the 15 Parts<sup>15</sup> of the IRO.

## III

Of the final judgments given for these 26 cases,<sup>16</sup> 8 are in favour of the taxpayer<sup>17</sup>, and 18 are in favour of the Commissioner of the Inland Revenue ("CIR").<sup>18</sup>

In each of the 26 cases,<sup>19</sup> except 3 of them,<sup>20</sup> i.e., in each of the 23 cases<sup>21</sup> concerned, the taxpayer, being dissatisfied with the determination(s) of objection(s)<sup>22</sup> to the assessment(s) by the CIR, made an appeal to the Board of Review ("BR")<sup>23</sup> against the determination(s) of the CIR. But in

18<sup>24</sup> of these 23 cases<sup>25</sup> the CIR<sup>26</sup> or the taxpayer<sup>27</sup>, or both<sup>28</sup> the CIR and the taxpayer, being dissatisfied with the decision(s) of the BR, or Hong Kong Inland Revenue Board of Review Decisions (“HKIRBRD”) appealed against the BR’s decision(s) by making application(s) requiring the BR to state a case<sup>29</sup> on question(s) of law for the opinion of the Hong Kong Supreme Court, Original Jurisdiction (“S Ct, OJ”).

In 11<sup>30</sup> of these 18 cases,<sup>31</sup> judgments were given and finalized at this stage of appeal, 4 being in favour of the taxpayer<sup>32</sup> while 7 in favour of the CIR.<sup>33</sup> As regards the other 7<sup>34</sup> of these 18 cases<sup>35</sup>, the taxpayer<sup>36</sup> or the CIR<sup>37</sup> or both<sup>38</sup>, having appealed against the judgment(s) of the lower court, i.e., S Ct, OJ, each of them<sup>39</sup> came before the Hong Kong Supreme Court, Appellate Jurisdiction (“S Ct, AJ”). Judgments were obtained, 2 in favour of the taxpayer,<sup>40</sup> 3 in favour of the CIR<sup>41</sup>, and 2, each with judgments having one ground in favour of, but another ground against, the CIR.<sup>42</sup> The CIR having appealed against each of the latter 2 grounds grounds in the respective judgments of the Full Court of the Supreme Court of Hong Kong, i.e., S Ct, AJ, each of these 2 cases<sup>43</sup> then appeared before the Privy Council in England (“PC”),<sup>44</sup> and judgments were delivered unanimously in favour of the CIR, reversing the judgments of the Court below respectively.

In the other 3<sup>45</sup> of the 23 cases,<sup>46</sup> the taxpayer, in each case, being in disagreement with the CIR’s determination(s), appealed to the BR, the decision(s) of which having been found favourable to the taxpayer but unacceptable to the CIR on question(s) of laws, the case, stated by the BR pursuant to Section 69 of the IRO on the application of the CIR, came right before the judge in the S Ct, AJ and judgment was given in each of these 3 cases,<sup>47</sup> 2<sup>48</sup> of which were in favour of, and 1<sup>49</sup> against the CIR.

Further, of these 23 cases,<sup>50</sup> 1 case<sup>51</sup> relates to the hearing of a taxpayer’s appeal before the BR, the refusal by the BR to proceed without a copy of the record of the hearing before the CIR, and the application by the CIR for an Order of Mandamus, requiring the BR to hear the appeal, which case came before the S Ct, OJ, with judgment given in favour of the CIR. Another one<sup>52</sup> of these 23 cases<sup>53</sup> deals with a taxpayer’s appeal to the BR against assessments of additional tax by the CIR for a BR decision not yet delivered, and the application by the taxpayer for stay of proceedings for recovery of the tax instituted by the CIR in the District Court of Hong Kong (“DC”),<sup>54</sup> when the taxpayer’s application was dismissed.

#### IV

Now, something about the remaining 3<sup>55</sup> of the 26 cases.<sup>56</sup> The first<sup>57</sup> of these 3 cases<sup>58</sup>, no appeal being lodged against the relative assessment Demand issued in the name of an Assistant Commissioner, first



came in the DC <sup>59</sup> with judgment given in favour of the taxpayer, and on appeal by the CIR the case then appeared in the S Ct, AJ where judgment was also given in favour of the taxpayer. The second case<sup>60</sup> concerning the refusal by the CIR in accepting a notice of objection invalidly made by a taxpayer and consequently the taxpayer's application for an Order of Mandamus in requiring the CIR to determine the objection, came in the S Ct, OJ and judgment was given in favour of the CIR. The third case<sup>61</sup> dealing with a taxpayer's failing to take advantage of the provisions for objection <sup>62</sup> to the CIR and for appeal to the BR <sup>63</sup> to have issues of law and fact determined, came in the DC <sup>64</sup>, when judgment was given in favour of the CIR.

## V

Some other interesting special features of the 26 HKTC.<sup>65</sup>

24 cases<sup>66</sup> were finalised with judgments given in the Court(s) of Hong Kong and 2 cases<sup>67</sup> were concluded with judgments delivered in the PC in England.

2 Court cases<sup>67\*</sup>, each regarding the application for an Order of Mandamus, ended with judgments by the S Ct, OJ in favour of the CIR, one given against the BR, <sup>68</sup> and the other against the taxpayer, <sup>69</sup> respectively.

In one case, the DC dismissed a taxpayer's application for stay <sup>70</sup> of the CIR's proceedings for the recovery of additional tax.

3 Court cases <sup>71</sup> are of the nature of cross-appeal.

3 Hong Kong Court cases <sup>72</sup> contain some guide-lines or principles applied in determining the scope of the charge on Profits Tax<sup>73</sup> regarding the question of whether or not a business is carried on in Hong Kong and whether or not profits are arising in or derived from Hong Kong, which is largely one of fact; there is no distinction made between residents and non-residents: a resident may therefore receive profits from abroad without the obligation to paying tax, and conversely, a non-resident may have the liability to paying tax on profits arising in or derived from Hong Kong.

2 Court cases <sup>74</sup> dealt with artificial or fictitious transaction(s).<sup>75</sup>

## VI

Some of these cases and the judgments thereon<sup>76</sup> are presently no longer applicable as precedents, except to the relevant time or date(s), because they relate to Sections of the IRO which have been affected by subsequent legislation involving amendments in the form of additions, deletions, substitutions, changes, alterations and/or introductions of new provisions.

An outstanding example is that with effect from the operation of The Inland Revenue (Amendment) Ordinance 1975 (Ord. 7 of 1975) from the year of assessment 1975/76 onwards, introducing, *inter alia*, modifications

on Profits Tax involving Change of Basis from preceding year to actual current year, Transitional Adjustments, Treatment of Losses, Effect for Personal Assessment and Provisional Profits Tax, & Corporation or Limited Company which in addition to trading on its own account, also trades as a partner in a partnership is entitled to set off losses in either one of the activities against profits made in either one of the activities.<sup>77</sup> The last-mentioned provision has made ineffective or reversed both judgments reached by the S Ct, AJ of Hong Kong in 1958 and by the PC in England in 1961 respectively in the 'classical' precedent case CIR v The Four Seas Co. Ltd.<sup>78</sup> when it was held that a company with limited liability was not entitled to set off losses made on sole account against profits made in partnership.

Another remarkable illustration is that under the present Provisional Salaries Tax<sup>79</sup> system effective since the year of assessment 1973/74 (i.e., 1.4.72 – 31.3.73) on actual year basis in replacement of preceding year basis, the taxpayer's assessable income includes the appropriate portion of his wife's income relating to the period after marriage; regarding a taxpayer's assessments and his *finance's* assessments for the year of assessments in which they get married, the man can claim stand over of provisional salaries tax in respect of his additional allowance or to the extent that the wife could claim stand over her provisional salaries if she stopped working; during the year of marriage the couple would have their final assessments for the preceding year and demands for provisional salaries tax for the current year; in the year following marriage, each will get his/her final assessment for the year in which the marriage occurred – the wife being assessed as a single person up to the date preceding marriage and the husband being assessed on the joint income subsequently; and, any provisional salaries tax paid by the wife in excess of her actual liability as a single woman will be deemed to be on account of tax against her post-marriage income, and set off against the husband's total liability in respect of income including the wife's post-marriage income.<sup>80</sup> Thus, since the year of assessment 1973/74, as liability to Salaries Tax is based on the actual income of the year of assessment, a charge being made for Provisional Salaries Tax to be paid in the year of assessment itself, the judgment given in CIR v Sewell, S Ct, OJ, 1971<sup>81</sup>, or the *ratio decidendi* of this case has been outdated by an amended piece of Ordinance.

## VII

It is hoped that this article will be helpful to the readers; that the readers, be they professionals students laymen or otherwise, will realise the value in the indispensable study of not only the HKTC and HKIRBRD but also the IOR as well as the subsequently updated legislation thereto;

and, that the authorities will soon release for information and guidance to the taxpayer and the public more and more HKTC and HKIRBRD on tax matters covering in particular the IRO and in general all other Ordinances<sup>82</sup> administered by the IRD.

We are living in a shrinking yet complicated world. Beggar-my-neighbour is no prudent policy. Here is one piece of the doctrine of the "mean": "Render to Ceaser that belongs to Ceaser; render to God that belongs to God". The world is changing rapidly. Hong Kong is a cosmopolitan centre. The Accountant has performed multifarious and distinct professional accounting financial managerial and entrepreneurial function. Score-keeping is basic. Attention — directing is necessary. Problem-solving is essential. Effective financial reporting is indispensable. Decision — making is vital. Innovation-creating is superb. Yet, the present-day Accountant's role as tax adviser and expert in this ever-changing "Pearl of the Orient" is increasingly demanding, especially in the economic implications and significance of national income re-distribution and the social impact and repercussions thereon, by properly helping administer the IRO and all other relevant Ordinances, solve taxation problems, work for the government commerce industry and the general public, protect the revenue, improve the taxation framework and structures in such aspects as sources bases rates impact incidence education and so forth bearing in mind the degree of applicability and timeliness in terms of theory and practice as well as the relative merits and demerits of the system of public finance looked as a whole and the political situations and social environment considered together, keep abreast with time in attaining optimum levels of consumptions investments productions and savings in real terms amidst inflationary pressures having due regard to their relative marginal propensities and the multiplier effects on real national income population and full-employment and the chain reactions therefrom, and above all promote the whole local and universal community's economic well-being.

## FOOTNOTES

<sup>1</sup> See, for example, Commissioner of Inland Revenue 1974-75 Annual Departmental Report at 1: "The Commissioner of Inland Revenue who also holds the appointment of Collector of Stamp Revenue and Estate Duty Commissioner is responsible for the administration of the following ordinances:

Betting Duty Ordinance	Cap. 108
Entertainments Tax Ordinance	Cap. 110
Estate Duty Ordinance	Cap. 111
Inland Revenue Ordinance	Cap. 112
Stamp Ordinance	Cap. 117
Stamp Duty Management Ordinance	Cap. 121
Tax Reserve Certificates Ordinance	Cap. 289
Business Registration Ordinance	Cap. 310
Hotel Accommodation Tax Ordinance	Cap. 348 "

<sup>2</sup> Originally Cap. 20, L.H.K. 1947 Ed.; then Cap. 112, L.H.K. 1950Ed.; and until recently Cap. 112, L.H.K. 1973 Ed. incorporating various amendments, including 20 of 1948, 3 of 1949, 9 of 1950, 10 of 1950, 30 of 1950, 37 of 1950, 16 of 1951, 36 of 1954, 36 of 1955, 49 of 1956, 9 of 1958, G.N.A. 100/60, 11 of 1961, 28 of 1964, 35 of 1965, L.N. 138/65, 15 of 1966, L.N. 8/68, L.N. 100/68, 26 of 1969, 35 of 1969, 39 of 1969, 51 of 1969, 65 of 1970, 2 of 1971, 13 of 1971, 26 of 1972, 40 of 1972, 8 of 1973, 33 of 1973, L.N. 165/73 & L.N. 218/73; and, presently Cap. 112, L.H.K. 1975Ed. with additional amendments: 68 of 1973, 16 of 1974, 23 of 1974, L.N. 81/74, L.N. 161/74, 7 of 1975, 38 of 1975, 41 of 1975, 43 of 1975, L.N. 5/75, L.N. 60/75, L.N. 66/75, 62 of 1975, 76 of 1975 and 92 of 1975. The ensuing amendments are L.N. 34/76, 32 of 1976 and L.N. 191/76.

<sup>3</sup> The NAME and the INDEX in chronological order to each of the HKTC in this VOLUME –

Jebsen & Co., CIR v	HKTC 1- 10/V6/70/1
Karsten Larssen & Co., (H.K.) Ltd., CIR v	HKTC 11- 27/V6/70/2
Lau Chan and Ko, CIR v	HKTC 28- 40/V6/70/3
Four Seas Co. Ltd.(The), CIR v	HKTC 41- 84/V6/70/4
Hong Kong Whampoa Dock Co., Ltd.(The), CIR v	HKTC 85-112/V6/70/5
Lam Woo Shang v CIR	HKTC123-165/V6/70/6
Mok Tsze Fung v CIR	HKTC166-184/V6/70/7
Mutal Investment Co., Ltd., CIR v	HKTC185-228/V6/70/8
Mutual Investment Co., Ltd v CIR	
Rico Internationale Ltd., CIR v	HKTC229-283/V6/70/9
Chan Tin-Chu, CIR v	HKTC284-300/V6/70/10
Kum Hing Land Investment Co., Ltd. v CIR;	HKTC301-321/V6/70/11
Kum Hing Land Investment Co. Ltd., CIR v	
Shun Lee Investment Co. Ltd. v CIR	HKTC322-333/V6/70/12
Montana Lands Ltd., CIR v	HKTC334-369/V6/70/13
Tai Shun Investment Co. Ltd. v CIR	HKTC370-389/V6/70/14

Key, eg., HKTC730-V6/70/14 indicates: Hong Kong Tax Cases, pages 370-389, in volume issued in June 1970, Case No. 14.

<sup>4</sup> The NAME and the INDEX in chronological order to each of the 4 HKTC in the FIRST SUPPLEMENT to this VOLUME–

In re Herald Interational Ltd.	HKTC393-410/1S3/71/1/V6/70/15
CIR v Tai On Machin ery Works Ltd.;	HKTC411-432/1S3/71/2/V6/70/16
Tai On Machinery Works Ltd. v CIR	
In re Independent Steamship Co. Ltd.	HKTC433-450/1S3/71/3/V6/70/17
CIR v Humphrey	HKTC451-487/1S3/71/4/V6/70/18



Key e.g., HKTC451-487/IS3/71/4/V6/70/18 indicates: Hong Kong Tax Cases, pages 451-487 in the First Supplement issued in March 1971, as the 4th case therein, to the Volume issued in June 1970, Case No. 18.

<sup>5</sup> The NAME and the INDEX in chronological order to each of the 4 HKTC in the SECOND SUPPLEMENT to this VOLUME—

CIR v Au Yuk-shuet	HKTC489-496/2S3/72/1/V6/70/19
CIR v The Hong Kong Bottlers Ltd.	HKTC497-514/2S3/72/2/V6/70/20
CIR v Sewell	HKTC515-550/2S3/72/3/V6/70/21
CIR v International Wood Products Ltd.	HKTC551-571/2S3/72/4/V6/70/22

Key, e.g., HKTC551-571/2S3/72/4/V6/70/22 indicates: Hong Kong Tax Cases, pages 551-571 in the Second Supplement issued in March 1972, as the 4th case therein, to the Volume issued in June 1970, Case No. 22

<sup>6</sup> The NAME and the INDEX in chronological order to each of the 4 HKTC in the THIRD supplement to this VOLUME—

CIR v Zim Israel Navigation Co. Ltd.	HKTC573-582/3S7/74/1/V6/70/23
CIR v Hang Seng Bank Ltd.	HKTC583-594/3S7/74/2/V6/70/24
CIR v Ernest C. Wong	HKTC595-601/3S7/74/3/V6/70/25
CIR v Sincere Insurance & Investment Co., Ltd.	HKTC602-626/3S7/74/4/V6/70/26

Key, e.g., HKTC602-626/3S7/74/4/V6/70/26 indicates: Hong Kong Tax Cases, pages 602-626 in the Third Supplement issued in July 1974, as the 4th case therein, to the Volume issued in June 1970, Case No. 26.

<sup>7</sup> See notes 4,5 and 6, *supra*. Alternatively, the NAME and the INDEX in alphabetical order to each of these 26 HKTC in this VOLUME and the 3 SUPPLEMENTS thereto —

Au Yuk-shuet, CIR v	HKTC489-496/2S3/72/1/V6/70/19
Chan Tin-Chiu, CIR v	HKTC284-300/V6/70/10
Four Seas Co. Ltd. (The), CIR v	HKTC 41- 84/V6/70/4
Hang Seng Bank Ltd., CIR v	HKTC583-594/3S7/74/2/V6/70/24
Herald International Ltd., In re	HKTC393-410/1S3/71/1/V6/70/15
Hong Kong Bottlers Ltd. (The), CIR v	HKTC497-514/2S3/72/2/V6/70/20
Hong Kong Whampoa Dock Co. Ltd. (The), CIR v	HKTC 85-112/V6/70/5
Humphrey, CIR v	HKTC451-487/1S3/71/4/V6/70/18
Independent Steamship Co. Ltd., In re	HKTC433-450/1S3/71/3/V6/70/17
International Wood Products Ltd., CIR v	HKTC551-571/2S3/72/4/V6/70/22
Jebsen & Co., CIR v	HKTC 1- 10/V6/70/1
Karsten Larssen & Co. (H.K.) Ltd., v CIR	HKTC 11- 27/V6/70/2
Kum Hing Land Investment Co. Ltd., v CIR;	HKTC301-321/V6/70/11
Kum Hing Land Investment Co. Ltd., CIR v	
Lam Woo Shang v CIR	HKTC123-165/V6/70/6
Lau Chan and Ko, CIR v	HKTC 28- 40/V6/70/3
Mok Tsze Fung v CIR	HKTC166-184/V6/70/7
Montana Lands Ltd., CIR v	HKTC334-369/V6/70/13
Mutual Investment Co. Ltd., CIR v;	HKTC185-288/V6/70/8
Mutual Investment Co. Ltd., v CIR	
Rico International Ltd., CIR v	HKTC229-283/V6/70/9
Sewell, CIR v	HKTC515-550/2S3/72/3/V6/70/21
Shun Lee Investment Co. Ltd. v CIR	HKTC311-333/V6/70/12
Sincere Insurance & Investment Co., Ltd., CIR v	HKTC602-626/3S7/74/4/V6/70/26
Tai On Machinery Works Ltd. v CIR;	HKTC411-432/1S3/71/2/V6/70/16
CIR v Tai On Machinery Works Ltd.	

- |                                       |                               |
|---------------------------------------|-------------------------------|
| Tai Shun Investment Co. Ltd. v CIR    | HKTC370-389/V6/70/14          |
| Wong, Ernest C., CIR v                | HKTC595-601/3S7/74/3/V6/70/25 |
| Zim Israel Navigation Co. Ltd., CIR v | HKTC573-582/3S7/74/1/V6/70/23 |
- 8 See note 7, *supra*.
- 9 The 3 cases concerned are:
- |                    |                                |
|--------------------|--------------------------------|
| CIR v Humphrey     | HKTC451-487/1S/3/71/4/V6/70/18 |
| CIR v Au Yuk-shuet | HKTC489-496/2S/3/72/1/V6/70/19 |
| CIR v Sewell       | HKTC515-550/2S/3/72/3/V6/70/21 |
- 10 These 2 Salaries Tax cases are:
- |                |                                |
|----------------|--------------------------------|
| CIR v Humphrey | HKTC451-487/1S/3/71/4/V6/70/18 |
| CIR v Sewell   | HKTC515-550/2S/3/72/3/V6/70/21 |
- 11 The Property Tax Case is:
- |                    |                                |
|--------------------|--------------------------------|
| CIR v Au Yuk-shuet | HKTC489-496/2S/3/72/1/V6/70/19 |
|--------------------|--------------------------------|
- 12 See Lam Woo Shang v CIR
- |  |                     |
|--|---------------------|
|  | HKTC123-165/V6/70/6 |
|--|---------------------|
- 13 See note 7 *supra*.
- 14 For details, see "Arrangement of Sections" and the relevant pages concerned in the respective editions of the IRO and the subsequent pieces of legislation. However, historically, the original version IRO, the 1947 Ed. contained 90 Sections. See also notes 2, *supra* and 15, *infra*.
- 15 These 15 Parts of the IRO are:
- | Part No. | Description  |
|----------|--|
| I        | Introductory   |
| II       | Property Tax   |
| III      | Salaries Tax   |
| IV       | Profits Tax  |
| V        | Interest tax   |
| VI       | Depreciation, Etc.   |
| VII      | Personal Assessment  |
| VIII     | Double Taxation Relief   |
| IX       | Petitions, Etc.  |
| X        | Assessments  |
| XI       | Appeal (originally), afterwards<br>Objections And Appeals (Amended,<br>26 of 1969, s.33) |
| XII      | Payments And Recovery of Tax   |
| XIII     | Prepayments  |
| XIV      | Penalties And Offences   |
| XV       | General  |
- Besides the foregoing 15 Parts. There are 2 Sub-Parts to Part X, or alternatively speaking, 2 additional Parts, thus making a total of 17 Parts –
- |    |   |
|----|---|
| XA | Provisional Salaries Tax (Added, 8 of<br>1973, s. 13) |
| XB | Provisional Profits Tax (Added, 7 of<br>1975, s. 40)  |

<sup>16</sup> See note 7, *supra*.

<sup>17</sup> The 8 cases to the taxpayer's favour, in chronological order, are:

CIR v Jebsen & Co.	HKTC 1-10/V6/70/1
CIR v Lau Chan and Ko	HKTC28-40/V6/70/3
CIR v The Hong Kong Whampoa Dock Co. Ltd.	HKTC85-122/V6/70/5
CIR v Chan Tin-Chu	HKTC284-300/V6/70/10
CIR v Montana Lands Ltd.	HKTC334-369/V6/70/13
Tai Shun Investment Co. Ltd. v CIR	HKTC370-389/V6/70/14
CIR v International Wood Products Ltd.	HKTC551-571/2S3/72/4/V6/70/22
CIR v Hang Seng Bank Ltd.	HKTC583-594/3S7/74/2/V6/70/24

<sup>18</sup> The 18 cases to the Revenue's favour, in chronological order, are:

CIR v Karsten Larssen & Co. (H.K.) Ltd.	HKTC 11- 27/V6/70/2
CIR v The Four Seas Co. Ltd.	HKTC 41- 84/V6/70/4
Lam Woo Shang v CIR	HKTC123-165/V6/70/6
Mok Tsze Fung v CIR	HKTC166-184/V6/70/7
CIR v Mutual Investment Co. Ltd.;	HKTC185-288/V6/70/8
Mutual Investment Co. Ltd. v CIR	
CIR v Rico Internationale Ltd.	HKTC229-283/V6/70/9
Kum Hing Land Investment Co. Ltd. v CIR;	HKTC301-321/V6/70/11
CIR v Kum Hing Land Investment Co. Ltd.	
Shun Lee Investment Co. Ltd. v CIR	HKTC322-333/V6/70/12
In re Herald International Ltd.	HKTC393-410/1S3/71/1/V6/70/15
Tai On Machinery Works Ltd. v CIR;	HKTC411-432/1S3/71/2/V6/70/16
CIR v Tai On Machinery Works Ltd.	
In re Independent Steamship Co. Ltd.	HKTC433-450/1S3/71/3/V6/70/17
CIR v Humphrey	HKTC451-487/1S3/71/4/V6/70/18
CIR v Au Yuk-shuet	HKTC489-496/2S3/72/1/V6/70/19
CIR v The Hong Kong Bottlers Ltd.	HKTC497-514/2S3/72/2/V6/70/20
CIR v Sewell	HKTC515-550/2S3/72/3/V6/70/21
CIR v Zim Israel Navigation Co. Ltd.	HKTC573-582/3S7/74/1/V6/70/23
CIR v Ernest C. Wong	HKTC595-601/3S7/74/3/V6/70/25
CIR v Sincere Insurance & investment Co. Ltd.	HKTC602-626/3S7/74/4/V6/70/26

<sup>19</sup> See note 7, *supra*.

<sup>20</sup> The 3 exceptional cases, in chronological order, are:

CIR v Chan Tin-chu	HKTC284-300/V6/70/10
In re Independent Steamship Co. Ltd.	HKTC433-450/1S3/71/3/V6/70/17
CIR v Au Yuk-shuet	HKTC489-496/2S3/72/1/V6/70/19

<sup>21</sup> See and compare notes 7 & 20, *supra*.

<sup>22</sup> See not 15 regarding Part XI of the IRO, which originally treated all written grievances of the taxpayer against an assessment inclusively as "Appeals" irrespective whether they were given to the CIR, the BR or the Court. However, it has been amended since the passing of 26 of 1969, s.33 as "Objections And Appeals", thus separating Objections to the CIR, S.64, Appeals to the BR, S.65-68 and Appeals to the Courts of Hong Kong and then to the PC in England, S.69.

23

See note 22, *supra*.

24

See notes 26, 27 & 28, *infra*.

25

See notes 7 & 20, *supra*.

26

Appended below are the 11 cases of appeal stated by the BR pursuant to S.69 of the IRO on application of the CIR for the opinion of the S Ct, OJ:

CIR v Jebesen &amp; Co. HKTC2

CIR v Karsten Larssen &amp; Co. (H.K.) Ltd. HKTC12

CIR v Lau Chan and Ko HKTC29

CIR v The Four Seas Co. Ltd. HKTC 42

CIR v The Hong Kong Whampoa Dock Co., Ltd. HKTC86

CIR v Rico Internationale Ltd. HKTC230

CIR v Montanna Lands Ltd. HKTC334

CIR v Humphrey HKTC451

CIR v The Hong Kong Bottlers Ltd. HKTC498

CIR v Sewell HKTC515

CIR v International Wood Products Ltd. HKTC551

27

Listed below are the 4 cases of appeal by the BR in pursuance of S.69 of the IRO on an application by the taxpayer for the opinion of the S Ct, OJ:

Lam Woo Shang v CIR HKTC123

Mok Tsze Fung v CIR HKTC167

Shun Lee Investment Co., Ltd. v CIR HKTC322

Tai Shun Investment Co., Ltd. v CIR HKTC370

28

The 3 cases of cross appeal, stated under S.69 of the IRO by the BR for the opinion of the S Ct, OJ in pursuance of application by both the taxpayer and the CIR, are:

CIR v Mutual Investment Co. Ltd; Mutual Investment Co. Ltd. v CIR HKTC186

Kum Hing Land Investment Co. Ltd. v CIR; CIR v Kum Hing Land Investment Co. Ltd HKTC301

CIR v Tai On Machinery Works Ltd.; Tai On Machinery Works Ltd. v CIR HKTC412

29

See note 22, *supra*.

30

See notes 32 & 33, *infra*.

31

See notes 26, 27 & 28, *supra*.

32

The 4 cases of appeal finalized at the S Ct, OJ, with judgments given in favour of the taxpayers are:

CIR v Lau Chan and Ko

HKTC 28- 40/V6/70/3

CIR v Montana Lands Ltd.

HKTC334-369/V6/70/13

Tai Shun Investment Co. Ltd. v CIR

HKTC370-389/V6/70/14

CIR v International Wood Products Ltd.

HKTC551-571/2S3/72/4/V6/70/22

33

The 7 cases of appeal finalized at the S Ct, OJ, with judgments given against the taxpayers are:

CIR v KarstenLarssen &amp; Co. (H.K.) Ltd.

HKTC11-27/V6/70/2

Mok Tsze Fung v CIR

HKTC166-184/V6/70/7

Kum Hing Land Investment Co., Ltd. v CIR;

HKTC301-321/V6/70/11

CIR v Kum Hing Land Investment Co., Ltd.

HKTC322-333/V6/70/12

Shun Lee Investment Co., Ltd. v CIR

HKTC411-432/1S3/71/2/V6/70/16

CIR v Tai On Machinery Works Ltd.;

Tai On Machinery Works Ltd. v CIR  
 CIR v The Hong Kong Bottlers Ltd.  
 CIR v Sewell

HKTC497-514/2S3/72/2/V6/70/20  
 HKTC515-550/2S3/72/3/V6/70/21

<sup>34</sup> See notes 35, 37 & 38, *infra*.

<sup>35</sup> See notes 26, 27 & 28, *supra*.

<sup>36</sup> The taxpayer, having appealed against the judgment of S Ct, OJ, each of the 5 cases came in the S Ct, AJ:

CIR v Jebesen & Co.	HKTC 1- 10/V6/70/1
CIR v The Four Seas Co. Ltd.	HKTC 41- 84/V6/70/4
CIR v The Hong Kong Whampos Dock Co., Ltd.	HKTC85-122/V6/70/5
Lam Woo Shang v CIR	HKTC123-165/V6/70/6
CIR v Rico Internationale Ltd.*	HKTC229-283/V6/70/9

\*regarding the adverse judgment on the second point.

<sup>37</sup> The CIR, having appealed against the judgment of the S Ct, OJ, the case came in the S Ct, AJ;

CIR v Humphrey	HKTC451-487/1S3/71/4/V6/70/18
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<sup>38</sup> Both the taxpayer and the CIR, having appealed against the judgment of the S Ct, OJ, the case came before the S Ct, AJ:

CIR v Mutual Investment Co. Ltd.;	HKTC185-288/V6/70/8
Mutual Investmnet Co. Ltd. v CIR	

<sup>39</sup> See notes 36, 37 & 38, *supra*.

<sup>40</sup> The 2 cases, finalised in the S Ct, AP, with judgments in favour of the taxpayers are:

CIR v Jebesen & Co.	HKTC 1- 10/V6/70/1
CIR v The Hong Kong & Whampoa Dock Co., Ltd.	HKTC85-122/V6/70/5

See also note 36, *supra*.

<sup>41</sup> The 3 cases, ended in the S Ct, AJ, with judgments in favour of the CIR are:

Lam Woo Shang v CIR	HKTC123-165/V6/70/
CIR v Rico Internationale Ltd.	HKTC229-283/V6/70/9
CIR v Humphrey	HKTC451-487/1S3/71/4/V6/70/18

See also notes 36 & 37, *supra*.

<sup>42</sup> The 2 cases, each coming before 3 judges in the S Ct, AJ, with judgments of one point in favour of, but another point against, the CIR are:

CIR v The Four Seas Co. Ltd.	HKTC41- 48/V6/70/4
CIR v Mutual Investment Co. Ltd.;	HKTC185-288/V6/70/8
Mutual Investmnet Co. Ltd. v CIR	

See also notes 36 & 38, *supra*.

<sup>43</sup> The 2 PC cases, with judgments concluded in favour of the CIR are:

CIR v The Four Seas Co. Ltd.	HKTC 41- 48/V6/70/4
CIR v Mutual Investmnet Co. Ltd.;	HKTC185-288/V6/70/8



Mutual Investment Co. Ltd. v CIR

See also notes 36, 38 & 42, *supra*.

44 See note 43, *supra*.

45 Stated pursuant to S.69 of the IRO on the application of the CIR, each of the undernoted cases came before a judge in the S Ct, AJ:

CIR v Zim Israel Navigation Co. Ltd.	HKTC573-582/3S7/74/1/V6/70/23
CIR v Hang Seng Bank Ltd.	HKTC583-594/3S7/74/2/V6/70/24
CIR v Sincere Insurance & Investment Co., Ltd.	HKTC602-626/3S7/74/4/V6/70/26

46 See notes 7 & 20, *supra*.

47 See note 45, *supra*.

48 The 2 cases coming straightly to the S Ct, AJ, with judgments in favour of the CIR are:

CIR v Zim Isreal Navigation Co. Ltd.	HKTC573-582/3S7/74/1/V6/79/23
CIR v Sincere Insurance & Investment Co., Ltd.	HKTC602-626/3S7/74/4/V6/70/24

See also note 45, *supra*.

49 The case appearing directly to the S Ct, AJ, with judgment in favour of the taxpayer:

CIR v Hang Seng Bank Ltd.	HKTC573-582/3S7/74/2/V6/70/25
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See also note 45, *supra*.

50 See and compare notes 7 & 20, *supra*.

51 See In re Herald International Ltd. HKTC393-410/1S3/71/1/V6/70/15

52 See CIR v Ernest C. Wong. HKTC595-601/3S7/74/3/V6/70/25

53 See note 7, *supra*.

54 See S.75 of the IRO and also note 22, *supra*.

55 The 3 cases are:

CIR v Chan Tin-Chu	HKTC284-300/V6/70/10
In re Independent Steamship Co. Ltd.	HKTC433-450/1S3/71/3/V6/70/17
CIR v Au Yuk-shuet	HKTC489-496/2S3/72/1/V6/70/19

56 See notes 7 & 20, *supra*.

57 CIR v Chan Tin-chu HKTC284-300/V6/70/10

58 See note 54, *supra*.

59 See S.75 of the IRO and also notes 22 & 54, *supra*.

60 In re Independent Steamship Co. Ltd. HKTC433-450/1S3/71/3/V6/70/17

61 CIR v Au Yuk-shuet HKTC489-496/2S3/72/1/V6/70/19.

62 See S.64 of the IRO and also note 22, *supra*.

63 See S.66 & 68 of the IRO and also note 22, *supra*.

64 See S.75 of the IRO and also notes 22, re & 59, *supra*.

65 See notes 4, 5 and 6 or 7, *supra*.

66 See and compare notes 7 & 43, *supra*. For the case of CIR v The Four Seas Co. Ltd. HKTC41-84/V6/70/4, see notes 26, 36, 42 & 43, *supra*. For the case of cross appeal CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, see notes 28, , 38, 42 & 43, *supra*.

67 See note 43, *supra*.

67\* The 2 cases dealing with the application for an Order of Mandamus:

In re Herald International Ltd.

HKTC393-410/1S3/71/1/V6/70/15

In re Independent Steamship Co. Ltd.

HKTC433-450/1S3/71/3/V6/70/17

See also notes 51 & 60, *supra*.

68 See In re Herald International Ltd., and also notes 51 & 67, *supra*.

69 See In re Independent Steamship Co. Ltd., and also notes 60 & 67, *supra*.

70 See S.75 of the IRO and also notes 22 and 54, *supra*.

71 The 3 cases of cross-appeal:

CIR v Mutual Investment Co. Ltd.;

HKTC185-288/V6/70/8

Mutual Investment Co. Ltd. v CIR

Kum Hing Land Investment Co. Ltd. v CIR;

HKTC301-321/V6/70/11

CIR v Kum Hing Land Investment Co. Ltd.

CIR v Tai On Machinery Works Ltd.;

HKTC411-432/1S3/71/2/V6/70/16

Tai On Machinery Works Ltd. v CIR

See also notes 28, 33, 36, 38, 42 & 43, *supra*.*supra*.

72 Compare the undernoted 3 cases:

CIR v Karsten Larssen & Co. (H.K.) Ltd., S Ct, OJ 1951, HKTC11-27/V6/70/2: re: Commission under Charter Party Agreement. See also notes 18, 26 and 33, *supra*. Final judgment to the Revenue's favour.

CIR v The Hong Kong & Whampoa Dock Co. Ltd., S Ct, OJ 1959 and S Ct, AJ 1960, HKTC85-122/V6/70/5: re: Profit from salvage operation(s). See also notes 17, 26, 36 and 40, *supra*. Final judgement to the taxpayer's favour.

CIR v International Wood Products Ltd., S Ct, OJ 1971, HKTC551-571/2S3/72/4/V6/70/22: re: Sales commission received by Hong Kong agent from overseas principals on sales by overseas sub-agents. See also notes 17, 26 and 32, *supra*. Final judgement to the taxpayer favour.

73 See Section 14 of the IRO.

74 The 2 cases of sham transaction(s):

CIR v Rico Internaitonal Ltd., S Ct, OJ 1965 and S Ct, AP 1965, HKTC229-283/V6/70/9.

Kum Hing Land Investment Co. Ltd. v CIR; CIR v Kum Hing Land Investment Co., Ltd. S Ct, OJ 1967, HKTC301-321/V6/70/11.

75 See Section 61 of the IRO.

76 Compare the judgments or the interpretations of the provisions or rules of the then IRO with the present legislation as subsequently affected or introduced, e.g., in the undernoted cases:

CIR v Lau Chan nd Ko, S Ct, OJ 1954, HKTC28-40/V6/70/3

CIR v The Four Seas Co. Ltd. S Ct, OJ 1958, S Ct, AJ 1958 and PC 1961, HKTC41-84/V6/70/4

Lam Woo Shang v CIR, S Ct, OJ 1960, S Ct, AJ 1961, HKTC123-165/V6/70/6.

CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966 HKTC185-288/V6/70/8

CIR v The Hong Kong Bottlers Ltd., S Ct, OJ 1970, HKTC497-514/2S3/72/V6/70/20

CIR v Sewell, S Ct, OJ 1971, HKTC515-550/2S3/72/3/V6/70/21.

77 See the new Section 19C, introduced to the principal IRO by s.16 of The Inland Revenue (Amendment) Ordinance (Ord. 7 of 1975) passed by the Hong Kong Legislative Council on 22 January 1975.

78 HKTC41-84.

79 Part XA relating to Provisional Salaries Tax including the new Sections 63B, 63C, 63D, 63E and 63F, introduced by the Inland Revenue (Amendment) (No. 2) Ordinance 1973 (Ordinance No.8/73).

80 See "Introducing Provisional Salaries Tax" published by the IRD in March 1975, pp25-29.

81 HKTC515-550.

82 See note 1, *supra*.

Annotated Notes on INLAND REVENUE ORDINANCE Chapter 112 of Law of Hong Kong by reference to Hong Kong Tax Cases and Hong Kong Inland Revenue Board of Review Decisions

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Mak Hing-Wah, BA(HKU), MSCA, CPA, AASA, AHKSA, ATIHK

ABBREVIATIONS AND EXAMPLES —

IRO	Inland Revenue Ordinance
CIR	Commissioner of Inland Revenue
DCt	District Court
SCt	Supreme Court
OJ	Original Jurisdiction
AJ	Appellate Jurisdiction
PC	Privy Council
HKTC	Hong Kong Tax Cases
HKIRBRD	Hong Kong Inland Revenue Board of Review Decisions

e.g., "HKTC4-48/v6/70/4" indicates:

HONG KONG TAX CASES, pages 4-48 in VOLUME issued in June 1970, Case No.4.

e.g., "HKTC451-487/1S3/71/4/v6/70/18" indicates:

HONG KONG TAX CASES, pages 451-487 in FIRST SUPPLEMENT issued in March 1971, as the 4th case therein, to the VOLUME issued in June 1970, Case No.18

e.g., "HKTC515-550/2S3/72/3/v6/70/21" indicates:

HONG KONG TAX CASES, pages 515-550 in SECOND SUPPLEMENT issued in March 1972 as the third case therein, to the VOLUME issued in June 1970, Case No.21.

e.g., "HKTC583-594/3S7/74/2/v6/70/24" indicates:

HONG KONG TAX CASES pages 583-594 in THIRD SUPPLEMENT issued in July 1974 as the 2nd case therein to the VOLUME issued in June 1970, Case No.24.

e.g., "HKIRBRD 30-48/9/v/6/74/BR5/71" indicates:

HONG KONG INLAND REVENUE BOARD OF REVIEW DECISIONS, pages 30-48, Case No. 9 in VOLUME issued in June 1974, which is the 5th Board of Review case in the year 1971.

e.g., "HKIRBRD109-111/1S9/74/11/v/6/74/24/BR13/73" indicates:

HONG KONG INLAND REVENUE BOARD OF REVIEW DECISIONS, pages 109-111, in the FIRST SUPPLEMENT issued in September 1974 as the 11th case therein, to the VOLUME issued in

June 1974, Case No. 24, which is the 13th Board of Review case in the year 1973.

e.g., "HKIRBRD145-147/2S4/75/7/v6/74/31/BR5/74" indicates:

HONG KONG INLAND REVENUE BOARD OF REVIEW DECISIONS, pages 145-147 in the SECOND SUPPLEMENT issued in April 1975 as the 7th case therein, to the VOLUME issued in June 1974, Case No. 31, which is the 5th Board of Review case in the year 1974.

The IRO presently contains 88 Sections in the following Parts (15 + 2) together with Schedules.

#### Part

I	Introductory
II	Property Tax
III	Salaries Tax
IV	Profits Tax
V	Interest Tax
VI	Depreciation, Etc.
VII	Personal Assessment
VIII	Double Taxation Relief
IX	Returns, Etc.
X	Assessments
XA	Provisional Salaries Tax
XB	Provisional Profits Tax
XI	Objections And Appeals
XII	Payments And Recovery of Tax
XIII	Repayment
XIV	Penalties And Objections
XV	General
First Schedule	Standard Rates
Second Schedule	Rates
Third Schedule	Public Utility Companies.

#### IRSL Inland Revenue, Subsidiary Legislation

The IRSL consists of the undernoted items:—

1. Inland Revenue Rules
2. Inland Revenue (Retirement Scheme) Rules
3. Exemption from Interest Tax Order
4. Exemption from Salaries Tax Order
5. Specified Corporation Notice.



## IRO -

SectionPART I: INTRODUCTORY

- 2      **Interpretation - "assessable profits."**  
See CIR v Mutual Investemnt Co. Ltd.; Mutual Investment Co., Ltd. v CIR, SCt, OJ 1963, SCt, AJ 1964 & PC 1966, HKTC 185-228/V6/70/8 pp 199, 213, 216,222,223,225 & 226.
- 2      **Interpretation - "body of persons".**  
See CIR v The Four Seas Co. Ltd., S Ct, OJ 1958, S Ct, AJ 1958 & PC 1961, HKTC 41-84/v6/70/4 pp 7, 60, 62, 63 & 82.
- 2      **Interpretation - "business".**  
See Lam Woo Shang v CIR, SCt, OJ 1960 & S Ct, AJ 1961, HKTC 123-165/v6/70/6 pp 123 150, 154 & 155 (Note: the definition of "business" in S.2(1) has been since altered by S.2 of Ordinance of 35 of 1965).
- 2      **Interpretation - "Commissioner".**  
See CIR v Chan Tin-Chu, DCt 1965 & S Ct, AJ 1966, HKTC 284-300/v6/70/10 p 286
- 2      **Interpretation - "person".**  
See CIR v The Four Seas Co., Ltd ; S Ct, OJ 1958, S Ct, AJ, 1958 & PC 1961, HKTC 41-84/v6/70/4 pp 47, 49, 66 & 80
- 2      **Interpretation - "Trade".**  
See HKIRBRD 124-140/2S4/75/4/V6/74/28/BR20/73 p139.
- 2      **Interpretation - "Profits arising in or derived from Hong Kong".**  
See CIR v Karsten Larssen & Co. (H.K.) Ltd ; S Ct, OJ 1951, HKTC 11-27/V6/70/2 pp 11, 17, 18, 26 & 27.  
See CIR v The Hong Kong & Whampoa Dock Co., Ltd., S Ct, OJ 1959 & S Ct, AJ 1960, HKTC 85-112/V6/70/5 pp 89, 91 & 96.  
See CIR v International Wood Products Ltd., S Ct, OJ 1971, HKTC551-571/2S3/72/4/V6/70/22 pp 554 & 556.  
See CIR v Mutual Investment Co. Ltd ; Mutual Investment Co. Ltd v CIR S Ct, OJ 1963, S Ct, AJ 1964 & P C 1966, HKTC 185-228/V6/70/8 pp 203,222,223, 225 & 226.
- 3      **Board of Inland Revenue.**  
See Mok Tsze Fung v CIR, S Ct, OJ 1962, HKTC 166-184/V6/70/7 p 178.

- 3 See *In re Herald International Ltd.*, S Ct, OJ 1964, HKTC 393-410/1S/3/71/1/V6/70/15 p 400.
- 3A **Exercise of powers and duties.**  
See *CIR v Chan Tin-Chu*, D Ct 1975 & S Ct, AJ 1966, HKTC 284-300/V6/70/10 p 284.
- 4 **Official secrecy.**  
See HKIRBRD 30-48/V6/70/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of determination of the CIR as directed by that Board (appealed to another Board) v CIR) p 41.

## Section **PART II: PROPERTY TAX**

- 5 **Charge of propert tax.**  
See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC 123-165/V6/70/6 pp.123, 132, 136, 138-140, 154 & 165.  
See *CIR v Au Yuk-shuet*, D Ct 1966, HKTC-489-496/2S3/72/1/V6/70/9 pp. 489, 490 & 496.  
See HKIRBRD109-111/1S/9/74/11/V6/74/24/BR13/73 (A foreign company, not carrying on business in Hong Kong but having controlling interest in 2 Hong Kong companies, being a registered owner of a flat in which its Hong Kong representative resided and having been assessed to Property Tax v CIR) pp 109 & 110.
- 7A **Interpretation – “owners”.**  
See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC 123-165/V6/70/6pp 151 & 152.
- 7B **Claim for refund of property tax.**  
See HKIRBRD 58-62/V6/74/12/BR19/71 (A Profits taxpayer with grounds of appeal not furnished within time v CIR) p 59.

## Section **PART III: SALARIES TAX**

- 8 **Charge of salaries tax .**  
See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC 123-165/V6/70/6pp 132 & 140.

- 8 See CIR v Humphrey, S Ct, OJ 1970 & St, AJ 1970, HKTC 451-487/1S3/71/4/V6/70/18 pp 452, 456, 458, 461 & 465.
- See CIR v Sewell, S Ct, OJ 1970, HKTC 515-550/2S3/72/3/V6/70/21 pp 516, 517, 519, 532, 535, 539, 540, 542 & 544-546.
- See HKIRBRD1-3/V6/74/1/BR13/69 (A Senior Officer of the Royal Hong Kong Police Force v CIR)p. 8
- See HKIRBRD 3-5/V6/74/2/BR20/69(An employee of a Hong Kong company under an employment agreemeten in general terms v CIR) pp3-5.
- See HKIRBRD 5-8/3/BR25/69 (A person having a proportion of his salaries chargeable to Hong Kong Salaries Tax during periods of residence in Hong Kong, with rental value for residence v CIR) pp5-7.
- See HKIRBRD 8-12/V6/74/4/BR27/69 (An employed Managing Director, having shares in the Company at par value, the market value being greater than par value v CIR) p9.
- See HKIRBRD 16-21/V6/74/6/BR6/70 (Salaries Taxpayer having paymetns made to the bank account of children of taxpayer under an educational trust, for the benefit of taxpayer's children, established by the patent company of taxpayer's employer v CIR) pp 16 & 17.
- See HKIRBRD 55-57/V6/74/11/BR13/71 (A ships' surgeon on ocean-going ships owned by non-resident company with employment contract made in Hong Kong but governed by foreign law received payment of his salary in Hong Kong currency v CIR) pp 55 & 56.
- See HKIRBRD72-77/1S9/74/2/V6/74/15/BR15/71 (A primarily Hong Kong resident employee of Hong Kong company with his emoluments deposited in bank in U.S.A. by parent company of Hong Kong company included in management fee charged to Hong Kong company v CIR) pp 72, 75 & 76.
- See HKIRBRD 62-66/V6/74/13/BR20/71 (Taxpayer with receipts of commissions from foreign companies other than his employer v CIR) pp 62-66.
- See HKIRBRD90-93/1S9/74/5/V6/74/18/BR6/72 (An authorised architect, appointed Executive Director of an American company with emoluments deposited in his bank in U.S.A.

8 by parent company of Hong Kong company while as resident director of Hong Kong having more actual responsibility and professional duties outside Hong Kong v CIR) p 90.

See HKIRBRD101-102/1S/9/74/8/V6/70/21/BR2/73 (A resident of Hong Kong, Managing Director of a Hong Kong company which was a subsidiary of an American company, with salaries paid into his account in the U.S.A. by the parent company but debited to the account of the Hong Kong company and reimbursed to the American company v CIR) p101.

See HKIRBRD103-106/1S/9/74/4/V6/74/22/BR3/73 (An employee of a Hong Kong company with receipts of lump-sums retirement award but immediately re-engaged on a monthly basis v CIR) p103.

See HKIRBRD106-109/1S/9/74/10/V6/74/23/BR7/73 (An employee of a foreign U.S. corporation temporarily stationed with the Australasian Area Headquarters of the company in Hong Kong, with emoluments paid by the American company into his bank account in the U.S.A. and not employed by, or responsible to, the Hong Kong subsidiary of the American company v CIR) pp 106 & 108.

See HKIRBRD140-143/2S4/75/5/V6/74/29/BR3/74 (Taxpayer employed by a foreign company registered in Hong Kong under the Companies Ordinance (Cap 32) and registered under the Business Registration Ordinance (Cap 310), under the terms of employment taxpayer required to travel outside Hong Kong to direct and supervise all Service Personnel of the company in the Far East with salary paid in Hong Kong out of funds remitted to Hong Kong from abroad thus having income arose in or derived from the Hong Kong v CIR)p 140.

See HKIRBRD 143-145/2S4/75/6/V6/70/30/BR4/74 (Taxpayer as managing director received salary applied to discharge company's debts and expenses, claiming that such sums should be discounted for the purpose of salaries tax v CIR) pp 143-145.

See HKIRBRD145-147/2S4/75/7/V6/74/31/BR5/74 (Taxpayer employed in Hong Kong by a company incorporated in the United States and having an office in Hong Kong, his employment required him to work in the company's Hong Kong office and in offices located in a number of countries in

- 8 the Far East, employee's salary was paid in Hong Kong in Hong Kong currency, the employee's salary for the periods spent out of Hong Kong liable for salaries tax v CIR) p 145.

9 **Definition of income from employment.**

See CIR v Karsten Larssen & Co. (H.K.) Ltd, S Ct, OJ 1951, HKTC11-27/V6/70/2 p27 (then S. 10(1) (i)).

See CIR v Humphrey, S Ct, OJ 1970 & S Ct, AJ 1970, HKTC451-487/1S3/71/4/V6/70/18 pp451, 452, 456, 458, 459, 461, 465 & 466.

See CIR v Sewell, S Ct, OJ 1971 HKTC515-550/2S3/72/3/V6/70/21 p 521, 523, 532, 540, 542 & 544.

See CIR v Zim Israel Navigation Co. Ltd, S Ct, AJ 1972, HKTC573-582/3S7/74/1/V6/70/23 pp574, 581 & 582.

See HKIBRD3-5/V6/74/2/BR20/69 (An employee of Hong Kong company under an employment agreement in general terms v CIR) p5.

See HKIRBRD5-18/V6/74/3/BR25/69 (A person having a proportion of salaries chargeable to Hong Kong Salaries Tax during periods of residence in Hong Kong with rental value for residence v CIR) pp5-8.

See HKIRBRD8-12/V6/74/4/BR27/69 (An employed Managing Director having shares of the Company at par value, the market value being greater than par value v CIR) pp 8 & 12.

See HKIRBRD16-21/V6/74/6/BR6/70 (Salaries taxpayer having payments made to the bank account of children of taxpayer under an educational trust for the benefit of taxpayer's children, established by the parent company of taxpayer's employer v CIR) p17

See HKIRBRD62-66/V6/74/13/BR20/71 (Taxpayer with receipts of commissions from foreign companies other than his employer v CIR) p62 & 63.

10 **Aggregation of incomes of husband and wife.**

See CIR v The Four Seas Co. Ltd, S Ct, OJ 1958 S Ct, AJ 1958 & PC1961, HKTC41-84/V6/70/4 p68.

See CIR v Sewell, S Ct, OJ 1971 HKTC515-550/2S3/72/3/V6/70/21 pp 515, 516, 518-523, 532, 535, 536, 537 & 538-550.

- 11      **Ascertainment of assessable income.**  
See CIR v Sewell, S Ct, OJ 1970, HKTC515-550/2S3/72/3/V6/70/21 pp 515-517, 532-535 & 538-550.  
See HKIRBRD23-30/V6/74/8/BR3/71 (A university lecturer, a salaries taxpayer with a grant of special leave without pay to study in the U.S.A. after which he intended to return to Hong Kong & resume his post at the University v CIR) pp 23-25, 27 & 28.  
See HKIRBRD103-106/1S/9/74/9/V6/74/22/BR3/73 (An employee of a Hong Kong company with receipts of lump-sums retirement award but immediately re-engaged on a monthly basis v CIR) pp 103 & 104.
- 12      **Ascertainment of net chargeable income.**  
See CIR v Humphrey, S Ct, OJ 1970 & S Ct, AJ 1970, HKTC451-487/1S3/71/4/V6/18 pp 451, 452, 453, 456, 461, 465, 466 & 478.  
See CIR v Sewell, S Ct, OJ 1971, HKTC515-550/2S3/72/3/V6/70/21 pp 533, 539-541, 543 & 544.  
See HKIRBRD113-118/2S/4/75/1/V6/74/25/BR17/73 (Taxpayer who was paid full salary whilst on study leave and who claimed travelling expenses incurred during period of study leave as deductible expenses v CIR) pp 113, 115 & 116.  
See HKIRBRD121-124/2S4/75/3/V6/74/27/BR19/73 (Membership subscriptions to professional associations and who claimed such payments as deductible in ascertaining net chargeable income v CIR) pp 121 & 122.
- 13      **Calculation of salaries tax.**  
See CIR v Sewell, S Ct, OJ 1971, HKTC.515-550/2S3/72/3/V6/70/21 pp 533, 535, 540, 541 & 544.
- 13A     **Interpretation – “income arising in or derived from Hong Kong”.**  
(Repealed, 2 of 1971, S.8.)  
See CIR v Humphrey, S Ct, OJ 1970 and S Ct, AJ 1970 HKTC451-487/1S3/71/4/V6/70/18 p 458.  
See HKIRBRD3-5/V6/74/2/BR20/69 (An employee of a Hong Kong company under an employment agreement in general terms v CIR) p 5.



- 13B Provision in regard to doubt as to whether income is income arising in or derived from Hong Kong.  
(Repealed, 2 of 1971, S.8)  
See HKIRBRD3-5/V6/74/2/BR20/69 (An employee of a Hong Kong company under an employment agreement in general terms v. CIR) p 5.

**Section****PART IV: PROFITS TAX**

- 14 Charge of profits tax.  
See CIR v Karsten Larssen & Co. (H.K.) Ltd., S Ct, OJ 1951, HKTC 11-27 /V6/70/2 pp 11, 12, 14, 17 & 26 (then S. 15).  
See CIR v The Four Seas Co. Ltd., S Ct, OJ 1958, S Ct, AJ 1958 & PC 1961 HKTC41-84/V6/70/4 pp 41-44, 46-49, 52-63, 65, 67 & 80-82.  
See CIR v The Hong Kong & Whampoa Dock Co., Ltd, S Ct, OJ 1959 & S Ct, AJ 1960 HKTC85-122/V6/70/5 pp 88-92, 95, 96, 101, 102, 111, 114, 115 & 119.  
See Lam Woo Shang v CIR, S Ct, AJ 1961, HKTC123-165/V6/70/6 pp 132 & 140  
See CIR v Mutual Investment Co. Ltd; Mutual Investment Co. Ltd v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-288/V6/70/8 pp 190-192, 196, 199, 201, 203, 206, 211-213, 215, 219, 221 & 223-227.  
See CIR v Rico Internationale Ltd., S Ct, OJ 1965 & S Ct, AJ 1965, HKTC229-283 /V6/70/9 p 243  
See CIR v International Wood Products Ltd., S Ct, OJ 1971, HKTC551-571/2S3/72/4/V6/70/22 pp 551, 552, 555, 556, 563 & 567.  
See CIR v Hang Seng Bank Ltd., S Ct, AJ 1972, HKTC583-594/3S7/74/2/V6/70/24 pp 558, 590, 591, 593 & 594.  
See CIR v Sincere Insurance & Investment Co. Ltd., S Ct, AJ 1973, HKTC602-626 /3S7/74/4/V6/70/26 pp 602, 616 & 619-621.
- 15 Certain amounts deemed trading receipts.  
See CIR v The Four Seas Co. Ltd., S Ct, OJ 1958, S Ct, AJ 1958 & PC 1961, HKTC41-84/V6/70/4 pp 46, 50-53, 58-61, 67 & 80-82.

- 15 See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC123-165 /V6/70/6 pp 123, 126-130, 134-136, 138-140, 154 & 165.
- See *CIR v Mutual Investment Co. Ltd; Mutual Investment Co. Ltd v CIR*, S Ct, OJ 1963 S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 226.
- See HKIRBRD124-140/2S4/75/4/V6/74/28/BR20/73 (Landowner with acquisition of agricultural land for the purpose of exchange for building land & development and sale of land for profits v CIR) p 139
- 15A **Aggregation for the purpose of business profits tax of assessable profits from more than one trade, profession or business.**
- See *CIR v The Four Seas Co. Ltd.*, S Ct, OJ 1958, S Ct, AJ 1958 & PC 1961, HKTC41-84/V6/70/4 pp 59, 61 & 62. (Note: S.15A has been recently been repealed by S.8 of Ordinance 7 of 1975).
- See HKIRBRD58-62/V6/74/12/BR19/71 (A Profits taxpayer with grounds of appeal not furnished within time v CIR) pp 60 & 61.
- 15B **Husband and wife**
- See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC123-165/V6/70/6 p 129.
- 16 **Ascertainment of chargeable profits**
- See *CIR v Jebsen & Co.*, S Ct, OJ 1949 & S Ct, AJ 1949, HKTC1-10/V6/70/1 pp 1,4 & 7.
- See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC 123-165/V6/70/6 p 151.
- See *CIR v Mutual Investment Co. Ltd; Mutual Investment Co. Ltd v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 pp 185, 189, 190, 196, 198, 199, 200-209, 212, 213, 215, 216, 221 & 223-227.
- See *CIR v Rico Internationale Ltd.*, S Ct, AJ 1965, HKTC229-283/V6/70/9 pp 229, 233-235, 240, 243-246, 249-251, 253-256, 263, 265, 266, 272, 279, 280, 282 & 283.
- See *Kum Hing Land Investment Co. Ltd. v CIR*, S Ct, OJ 1967, HKTC301-391/V6/70/12 pp 301, 309, 310, 318 & 319.
- See *CIR v Montana Lands Ltd*, S Ct, OJ 1968, HKTC334-369 /V6/70/13 pp 357, 358 & 368
- See *Shun Lee Investment Co., Ltd. v CIR*, S Ct, OJ 1967, HKTC322-333/V6/70/13 pp 322, 324, 329 & 331-333.

- 16 See CIR v Tai On Machinery Works Ltd.; Tai On Machinery Works Ltd. v CIR, S Ct, OJ 1969, HKTC411-432/1S3/71/V6/70/16 pp 411, 412, 414, 418, 424 425 & 428-430.
- See CIR v Hang Seng Bank Ltd, S Ct, AJ 1972, HKTC583-594/3S7/74/2/V6/70/24 p 583.
- See HKIRBRD12-16/V6/74/5/BR29/69 (A company with payments made to another company for acquiring Cotton Textile Quotas from the latter v CIR) pp 12 & 13.
- See HKIRBRD21-23/V6/74/7/BR13/7 (A firm with lump sum payments to employees upon termination of business when it was taken over by a new limited company employing all the employees concerned v CIR) pp 21-23.
- See HKIRBRD77-84/1S9/74/3/V6/74/16/BR3/72 (A company with a car purchased for use of its managing Director v CIR) pp 77 & 83.
- HKIRBRD118-121/2S4/75/2/V6/74/26/BR18/73 (The appellant, a company incorporated in H.K. carried on import-export business and also traded in overseas marketable securities with loss in selling shares v CIR).
- 17 **Deductions not allowed.**
- See CIR v Mutual Investment Co. Ltd; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC 185-228/V6/70/8 pp 190-192, 197-203, 205, 206, 212, 213, 215 & 221-227.
- See CIR v Rico Internationale Ltd, S Ct, OJ 1965 & S Ct, AJ 1965 HKTC229-283/V6/70/9 pp 243-246, 251, 265 & 266,
- See Kum Hing Land Investment Co. Ltd. v CIR, S Ct, OJ 1967 p 319.
- See Shun Lee Investment Co., Ltd v CIR, S Ct, OJ 1967 HKTC322-333/V6/70/12 pp 322, 324, 239, 331 & 333.
- See CIR v Tai On Machinery Works Ltd; Tai On Machinery Works Ltd. v CIR, S Ct, OJ 1969, HKTC411-532/1S3/71/2/V6/70/16 pp 411, 413, 425, 426 & 430.
- See HKIRBRD12-16/V6/74/5/BR29/60 (A company with payments made to another company for acquiring Cotton Textile Quotas from the latter v CIR) pp 12, 13 & 16.

- 17 See HKIRBRD 21-23/V6/74/6/BR13/70 (A firm with lump sum payments to employees upon termination of business when it was taken over by a new limited company employing all the employees concerned v CIR) pp 21-23.
- 18 **Basis for computing profits**  
See CIR v Lau Chan & Ko, S Ct, OJ 1954, HKTC28/40/V6/70/3 pp 28-31, 33, 35 & 39.  
See CIR v Mutual Investment Co., Ltd; Mutal Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 226.  
See Tai Shun Investment Co. Ltd; v CIR, S Ct, OJ 1968, HKTC370-389 /V6/70/14 pp 370, 374, 378 & 380.  
See CIR v Tai On Machinery Works Ltd.; Tai On Machinery Works Ltd. v CIR, S Ct, OJ 1969, HKTC411-432/1S3/70/2/V6/70/16 pp 417 & 418.  
See HKIRBRD77-84/1S/9/74/3/V6/74/16/3/BR3/72 (A company with a car purchased for use of its managing Director v CIR) p 79.
- 18A **Calculation of corporation profits tax (Repealed, 2 of 1971, S.13, Effective from 1/4/71).**  
See CIR v Mutual Investment Co. Ltd., Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC 185-228/V6/70/8 pp 200 & 222-226.
- 18B **Calculation of business profits tax**  
See CIR v The Four Seas Co. Ltd. S Ct, OJ 1958, S Ct AJ 1958, & PC 1961, HKTC41-84/V6/70/4 p47 (Repealed, 2 of 1971 S. 13 effective since & after 1/4/71, i.e. year of assessment 1971/72.)
- 19 **Treatment of losses.**  
See CIR v The Four Seas Co. Ltd., S Ct, OJ 1968, S Ct, AJ 1968 & PC 1961 HKTC41-84/V6/70/4 pp 41, 66, 76, 77, 79, 81, 83 & 84 (Note: S. 19 has been recently amended by S 13 of Ordinance 7 of 1975).  
See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963 S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 pp 206 & 224.

- 19 See HKIRBRD16-21/V6/74/6/BR6/70 (Salaries taxpayer, having payment made to the bank account of the taxpayer's children, under an educational trust for benefit of taxpayer's children, established by the parent company of the taxpayer's employer v CIR) p 16
- 20 **Liability of certain non-resident person.**  
See CIR v the Four Seas Co. Ltd, S Ct, OJ 1958, S Ct, AJ 1958 & PC 1961, HKTC40-84/V6/70/4 p68.  
See CIR v rico Internationale Ltd., S Ct, OJ 1965 & S Ct, AJ 1965, HKTC229-283/V6/70/9 pp 229, 246, 247 & 252.
- 20A **Persons chargeable on behalf of a non-resident**  
See CIR v The Four Seas Co. Ltd., S Ct, OJ 1958, S Ct AJ 1958 & PC 1961, HKTC41-84/V6/70/4 p 68.
- 22 **Assessment of partnership**  
See CIR v Jebsen & Co., S Ct, OJ 1949 S Ct, AJ 1949, HKTC1-10/V6/70/1 p 5  
See CIR v Lau Chan and Ko, S Ct, OJ 1954, HKTC 28-40/V6/70/3 pp 28, 30, 31 & 33-40.  
(Note: S.22(3) has since been altered by S.31 of Ordinance 36 of 1955 and by S.18 of Ordinance 49 of 1956 & recently by S.19 of Ordinance 7 of 1975).  
See CIR v The Four Seas Co. Ltd, 1961 HKTC28-40/V6/70/3 pp 41-69, 74, 77-80 & 83 (See also the note mentioned above).  
See Mok Tsze Fung v CIR, S Ct, OJ 1962 HKTC166-184/V6/70/7 p 177  
See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) p 40.
- 23 **Ascertainment of assessable profits of life insurance corporations.**  
See HKIRBRD30-48/V6/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a

- 23 property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) p41.
- 23A **Ascertainment of assessable profits of insurance corporation other than life insurance corporations.**  
See CIR v Sincere Insurance & Investment Co. Ltd., S Ct, AJ 1973, HKTC603-626/3S7/74/4/V6/70/26 p602.
- 23C **Ascertainment of the assessable profits of a non-resident ship-owner.**  
See CIR v Zim Israel Navigation Co. Ltd., S Ct, AJ 1972, HKTC573-582 /3S7/74/1/V6/70/23 pp573-576 & 579-582.  
See HKIRBRD55-57/V6/74/11/BR13/71 (A ships' surgeon on ocean-going ships owned by non-resident company with employment contract made in H.K. but governed by foreign law v CIR) p56.
- 25 **Deduction of property tax from profits tax.**  
See Lam Woo Shang v CIR, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC123-165/V6/70/6 pp123, 132, 135, 136, 140, 141, 151, 154 & 165.
- 26 **Exculsion of certain dividends and profits from the assessable profits of other persons.**  
See CIR v The Four Seas Co. Ltd., S Ct, OJ 1958, S Ct, AJ 1958 & CP 1961, HKTC41-84/V6/70/4 pp41, 42, 44-49, 56-57, 59-63, 65, 79 & 80 (Note: S. 26 has recently been amended by S. 25 of Ordinance 7 of 1975).  
See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 pp 185, 187, 190-192, 194, 199, 201-203, 205, 206, 211-213, 217 & 222-227.
- 27 **Provision in regard to doubt as to whether a profit is a profit arising in or derived from Hong Kong. (Repealed, 2 of 1971, s.19).**  
See CIR v Chan Tin-Chu, D Ct 1965 & S Ct, AJ 1966, HKTC284-300/V6/70/10 pp 286-288, 290, 294 & 298.



**Section      PART V: INTEREST TAX**

- 28      **Charge of interest tax AX**  
See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC123-165/V6/70/6 pp132 & 140.  
See *Shun Lee Investment Co., Ltd. v CIR*, S Ct, OJ 1967, HKTC322-333/V6/70/12 pp 326 & 327.

**Section      PART VI: DEPRECIATION, ETC**

- 34      **Initial and annual allowances, industrial buildings and structures.**  
See *CIR v Tai On Machinery Works Ltd.*; *Tai On Machinery Works Ltd. v CIR*, S Ct, OJ 1969, HKTC411-432/1S3/71/2 / V6/70/16 p416.  
See HKIRBRD67-72/1S9/74/1/V6/74/14/BR8/68 (A company with its remaining 14 flats in C.F. Bldg. v CIR) pp67, 68, 71 & 72.
- 35      **Balancing allowances & charges, industrial buildings and structures.**  
See *CIR v The Hong Kong Bottlers Ltd.*; S Ct, OJ 1970, HKTC497-514/2S3/72/ 2/V6/70/20 pp 504 & 508.
- 36      **Rebuilding allowances and charges for a commercial building or structures.**  
See *CIR v Tai On Machineery Works Ltd.*; *Tai On Machinery Works Ltd. v CIR*, S Ct, OJ 1969, HKTC411-432/1S3/71/2/V6/70/16 pp 416 & 419
- 37      **Initial and annual allowances, machinery or platnt.**  
See *CIR v Mutual Investment Co. Ltd.*; *Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 pp 185-187, 189, 197, 199, 207 & 209.  
See *CIR v The Hong Kong Bottlers Ltd.*, S Ct, OJ 1970, HKTC497-514/2S3/72/2/V6/70/20 pp 497, 499-501, 504-507, 509 & 511-514.  
See HKIRBRD77-84/1S9/74/3/V6/74/16/BR3/72 (A company with a car purchased for use of its managing Director v CIR) pp 77 & 83.

- 38            **Balancing allowance and charges, machinery or plant.**  
See *In re Independent Steamship Co. Ltd.*, S Ct, OJ 1970, HKTC433-450/1S3/71/3/V6/70/17 p 444.
- 40            **Interpretation – “Industrial building or structure”.**  
See *CIR v Tai On Machinery works Ltd.*; *Tai On Machinery Works Ltd. v CIR*, S Ct, OJ 1969, HKTC411-432/1S3/71/2/V6/70/16 pp 411-415 & 419.
- 40            **Interpretation – “relevant interest”.**  
See *CIR v The Hong Kong Bottlers Ltd.*, S Ct, OJ 1970, HKTC 497-514/2S3/72/2/V6/70/20 p 508.

Section            PART VII: PERSONAL ASSESSMENT

- 41            **Election for personal assessment.**  
See *CIR v The Four Seas Co. Ltd.*, S Ct, OJ 1958, S Ct, AJ 1958 & PC 1969, HKTC41-84/V6/70/4 pp61 & 62 (Note: S. 41 has been recently amended by adding a new subsection 41 (2A) by s. 29 of Ordinance 7 of 1975).
- 42            **Calculation of total income.**  
See *CIR v The Four Seas Co. Ltd.* S Ct, OJ 1958, S Ct, AJ 1958 & PC 1961, HKTC41-84/V6/70/4 p 83 (Note: S.42 has been recently repealed & replaced by S.30 of Ordinance 7 of 1975).  
See *Lam Woo Shang v CIR*, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC123-165/V6/70/6 pp 152 & 153 (Note: see above).
- 42B          **Allowances**  
See *Lam Woo Shang v CIR*, S Ct OJ 1960, & S Ct, AJ 1961, HKTC123-165/V6/70/7 p152 (Note: See various subsequent amendments, including S. 31 of Ordinance 7 of 1975).  
See HKIRBRD48-54/V6/74/10/BR12/71 (An employee in the Hong Kong Government's Department with a claim for Dependent Parents' Allowance in respect of the maintenance of his step-mother v CIR) pp 48, 49, 51 & 54.
- 43A          **Interpretation – “a step-child”.**  
See HKIRBRD48-54/V6/74/10/BR12/71 (An employee in the Hong Kong Government's Education Department with a claim for Dependent Parents' Allowance in respect of the maintenance of his step-mother v CIR) pp 49 & 54.

**Section**      **PART IX: RETURNS, ETC.**

- 51      **Returns and information to be furnished.**  
See *Mok Tsze Fung v CIR*, S Ct, OJ 1962, HKTC 166-184/V6/70/7 pp 173, 175 & 177.  
See *CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966, HKTC185-228/V6/70/8 pp 191, 202, 205 & 206.  
See *In re Herald International Ltd.*, S Ct, OJ 1964, HKTC393-410/1S3/71/1/V6/70/15 pp 395 & 398.  
See *CIR v Ernest C. Wong*, D Ct 1973, HKTC595-601/3S7/74/3/V6/70/25 p 596.  
See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination of the CIR as directed by that Board (appealed to another Board) v CIR) p.40.  
See HKIRBRD93-97/1S/9/74/6/V6/70/19/BR16/72 (Taxpayer faced with submission of incorrect return or false information supplied having effect of understating income or profits chargeable to tax and requirement to furnish statement of assets and liabilities v CIR) p 94.
- 51A      **Power to requir statement of assets and liabilities etc.**  
See HKIRBRD58-62/V6/74/12/BR19/71 (A profits taxpayer with grounds of appeal not furnished within time v CIR) p 59.  
See HKIRBRD93-97/1S/9/70/6/V6/74/19/BR16/72 (Taxpayer faced with submission of incorrect return or false information supplied having effect of understating income or profits chargeable to tax and requirement to furnish statement of assets and liabilities v CIR)pp 93-96.
- 52      **Information to be furnished by officials and employers.**  
See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) p 40.

Section      PART X: ASSESSMENTS

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**Assessor to make assessments.**

See MOK Tsze Fung v CIR., S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 166, 167 & 171-182.

See CIR v Mutual Investment Co Ltd.; Mutual Investment Co., Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ, 1964 & PC 1966, HKTC 185-228/V6/70/8 pp 203 & 206

See CIR v Chan Tin-Chu, D Ct 1965 & S Ct, AJ 1966, HKTC284-300/V6/70/10 pp 285, 288 & 297.

See In re Herald International Ltd., S Ct, OJ 1964, HKTC393-410/1S/71/1/V6/70/15 p 395.

See In re Independent Steamship Co Ltd., S Ct, OJ 1970, HKTC433-450/1S3/71/3/V6/70/17 pp 433, 436-438, 442, 444-446, & 448-450.

See CIR v Hang Seng Bank Ltd, S Ct, AJ 1970, HKTC 583-594/3S7/74/2/V6/70/24 p 586

See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property with determination of the CIR as directed by that Board (appealed to another Board) v CIR) pp 31, 40 & 42.

See HKIRBRD 62-66/v6/74/13/BR20/71 (Taxpayer with receipts of commissions from foreign companies other than his employer v CIR) pp 63 & 65.

See HKIRBRD84-90/1S9/70/4/V6/70/17/BR4/72 (A medical practitioner with accretion of assets irreconcilable with his returned income, claimed to be derived from non-taxable source v CIR) p 85.

See HKIRBRD97-101/1S/9/74/8/V6/70/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) pp 97 & 100.

See HKIRBRD124-140/2S4/75/4/V6/74/28/BR20/73 (Landowner with acquisition of agricultural land for the purpose of exchange for building land & development and sale of land for profits v CIR) pp 124 & 128.

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**Additional assessments.**

See *Mok Tsze Fung v CIR*, S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 166, 167, 171-175, 177-181 & 183.

See *In re Herald International Ltd.*, S Ct, OJ 1964, HKTC 393-410/1S3/71/1/V6/70/15 pp 395 & 408.

See *In re Independant Steamship Co. Ltd.*, S Ct, OJ 1970, HKTC433-450 /1S/71/3/V6/70/17 pp 436-438, 442, 447 & 448

See *CIR v The Hong Kong Bottlers Ltd.*, S Ct, OJ 1970, HKTC497-514 /2S3/72/2/V6/70/20 pp 507, 510 & 511.

See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property with determination of the CIR as directed by that Board (appealed to another Board) v CIR) p 42.

See HKIRBRD84-90/1S/9/74/4/V6/70/17/BR4/72 (A medical practitioner with accretion of assets irreconcilable with his returned income, claimed to be derived from non-taxable source v CIR) pp 84 & 85.

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**Certain transactions and dispositions to be disregarded.**

See *CIR v Rico Internationale Ltd.*, S Ct, OJ 1965 & S Ct, AJ 1965, HKTC229 -283/V6/70/9 pp 229, 246, 252, 253, 265, 267, & 279.

See *Kum Hing Land Investment Co. Ltd. v CIR*, S Ct, OJ 1967, HKTC301-321 /V6/70/11 pp 301, 306, 307, 309, 310, 311 & 315-321.

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**Notice to be issued by the Commissioner.**

See *Mok Tsze Fung v CIR*, S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 176 & 182.

See *CIR v Chan Tin-Chu*, D Ct 1965 & S Ct, AJ 1966, HKTC284-300/V6/70/10 pp 284, 286-289 & 296-299.

See *In re Independent Steamship Co. Ltd.*, S Ct, OJ 1970, HKTC433-450/1S3/71 /3/V6/70/17 pp 436, 438-442, 446 & 447

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**Validity of assessments, etc.**

See *CIR v Chan Tin-Chu*, D Ct 1965 & S Ct, AJ 1966, HKTC284-300/V6/70/10 pp 295, 296 & 300.

- 63 See HKIRBRD58-62/V6/74/12/BR19/71 (A profits taxpayer with grounds of appeal not furnished within time v CIR) p 60.

**Section** PART XI: OBJECTIONS AND APPEALS

64 **Objections.**

See CIR v The Hong Kong & Whampoa Dock Co. Ltd., S Ct, OJ 1959 & S Ct, AJ 1960, HKTC85-112/V6/70/5 p 95.

See Mok Tsze Fung v CIR, S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 166-168 & 178 (Note: The provision of S.64 regarding appeals to the Commissioner has since been repealed, under S.29 of Ordinance 35 of 1965, by provision for making objections.)

See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 221. (See Note above).

See CIR v Chan Tin-Chu, D Ct 1965 & S Ct, AJ 1966, HKTC284-300/V6/70/10 pp 288, 289 & 300.

See Shun Lee Investment Co. Ltd. v CIR, S Ct, OJ 1967, HKTC322-333/V6/70/12 p 326.

See In re Herald International Ltd., S Ct, OJ 1964, HKTC 393-410/1S3/71/1 /V6/70/15 pp 393-398, 400, 401 & 405.

See In re Independent Steamship Co. Ltd., S Ct, OJ 1970, HKTC433-450/1S3/71/3/V6/70/17 pp 433, 434, 436, 437, 439-444 & 446-448.

See CIR v Au Yuk-Shuet, D Ct 1966, HKTC489-496/2S3/72/1/V6/70/19 p491.

See BKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination of the CIR as directed by that Board (appealed to another Board) v CIR) p 33.

See HKIRBRD58-62/V6/74/12/BR19/71 (A profits taxpayer with grounds of appeal not furnished within time v CIR) p 59

See HKIRBRD97-101/1S/9/74/8/v6/74/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) p 100.

64A      **Commissioner may determine an appeal without a formal hearing**

See *Mok Tsze Fung v CIR*, S Ct, OJ 1962, HKTC166-184/V6/70/7 p 178 (Note: S64A was repealed by Ordinance 35 of 1965, s.30)

65      **Constitution of the Board of Review.**

See *CIR v Lau chan & Ko*, S Ct, OJ 1954, HKTC28-40/V6/70/3 p 29.

See *CIR v The Hong Kong & Whampoa Dock Co. Ltd.*, S Ct, OJ 1959 & S Ct, AJ 1960, HKTC85-112/V6/70/5 p 95.

See *Mok Tsze Fung v CIR*, S Ct, OJ 1962, HKTC166-184/V6/70/7 p 184.

See *CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 221.

See *CIR v Rico Internationale Ltd.*, S Ct, OJ 1965 & S Ct, AJ 1965, HKTC 229-283/V6/70/9 p 252.

See *Shun Lee Investment Co. Ltd. v CIR*, S Ct, OJ 1967, HKTC322-333/V6/70/12 p 328.

See *In re Herald International Ltd.*, S Ct, OJ 1964, HKTC393-410 /1S3/71/1/V6/70/15 pp. 403 & 409.

See *CIR v Au Yuk-Shuet*, D Ct 1970, HKTC489-496/2S3/72/1/V6/70/19 p 493.

See *CIR v Zim Israel Navigation Co. Ltd.*, S Ct, AJ 1972, HKTC573-582/3S7/74/1/V6/70/23 p 574.

See HKIRBRD5-8/V6/74/3/BR25/69 (A person having a proportion of salaries chargeable to Hong Kong Salaries Tax during period of residence in Hong Kong with rental value v CIR) p 7.

66      **Right of appeal to the Board of Review.**

See *CIR v Karsten Larssen & Co. (H.K.) Ltd.*, S Ct, OJ 1951, HKTC11-27/V6/70/2 pp 12 & 15.

See *CIR v Lau Chan & Ko*, S Ct, OJ 1954, HKTC28-40/V6/70/3 pp 29 & 31.

See *CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966, HKTC185-228/V6/70/8 p 221.

- 66 See *Kum Hing Land Investment Co. Ltd. v CIR*, S Ct, OJ-1967, HKTC301-321/V/6/70/11 pp 307 & 316.
- See *In re Herald International Ltd.*, S Ct, OJ 1964, HKTC 393-410/1S3/71/1/V6/70/15 pp 393, 394, 396, 399, 403, 405, 406, & 408.
- See HKIRBRD23-30/V6/74/8/BR3/71 (A University lecturer, a salaries taxpayer with a grant of special leave without pay for 3 years to study in the U.S.A. after which he intended to return to H.K. to resume his post at the University v CIR) p 26
- See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) pp 37 & 38.
- See HKIRBRD72-77/1S/9/74/2/V6/74/15/BR15/71 (A primarily Hong Kong resident employee of Hong Kong company with his emoluments deposited in bank in U.S.A. by parent company of Hong Kong Company, included in management fee charged to Hong Kogn company v CIR) pp 72, 73 & 76.
- See HKIRBRD58-62/V6/74/12/BR19/71 (A profits taxpayer with grounds of appeal not furnished within time v CIR) pp 58-62.
- See HKIRBRD97-101/1S/9/74/8/V6/74/20/BR17 /72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) p 98.
- 67 **Commissioner may refer appeals to the Board of Review.**  
[REPEALED, 35 of 1975, S.33.]
- See *In re Herald International Ltd.*, S Ct, OJ 1964, HKTC393-410/1S3/71/1/V6/70/15 pp 394 & 395.
- 68 **Hearing and disposal fo appeals to the Board of Review.**
- See *CIR v Lau Chan & Ko*, S Ct, OJ 1954, HKTC28-40/V6/70/3 pp 28-31 & 34.
- See *Mok Tsze Fung v CIR*, S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 178 & 179.
- See *CIR v Mutual Investment Co. Ltd.*; *Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC 185-228/V6/70/8 p 189.



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See Kum Hing Land Investment Co. Ltd. v CIR, S Ct, OJ 1967 HKTC301-321/V6/70/11 pp 309, 311 & 316.

See Shun Lee Investment Co. Ltd. v CIR, S Ct, OJ 1967, HKTC322-333/V6/70/12 p 329.

See In re Herald International Ltd., S Ct, OJ 1964, HKTC393-410/1S3/71/1/V6/70/15 pp 396, 404, 405 & 408.

See CIR v Tai On Machinery Works Ltd.; Tai On Machinery works Ltd. v CIR, S Ct, OJ 1969, HKTC411-432/1S3/71/2/V6/70/16 p 417.

See HKIRBRD67-72/1S/9/74/1/V6/74/14/BR8/68, (A company with its remaining 14 flats in C.F. Bldg. v CIR) pp 67 & 71.

See HKIRBRD5-8/V6/74/3/BR25/69 (A person having a proportion of salaries chargeable to Hong Kong Salaries Tax during periods of residence in H.K. with rental value for residence v CIR) p 8.

See HKIRBRD12-16/V6/70/5/BR29/69 (A company with payments made to another company for acquiring Cotton Textile quotas from the latter v CIR) p 16.

See HKIRBRD23-30/V6/70/8/BR3/71 (A University lecturer, a salaries taxpayer with a grant of special leave without pay to studying in the U.S.A. after which he intended to return to H.K. to resume his post at the University v CIR) pp 23 & 25-27.

See HKIRBRD62-66/V6/74/13/BR20/71 (Taxpayer with receipts of commissions from foreign companies other than his employer v CIR) p 63.

See HKIRBRD97-101/1S/9/74/8/V6/74/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) pp 97-99.

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#### Appeals to the Supreme Court.

See CIR v Karsten Larssen & Co. (H.K.) Ltd., S Ct, OJ 1951, HKTC11-27/V6/70/2 pp 12 & 18.

See CIR v Lau Chan and Ko, S Ct, OJ 1954, HKTC28-40/V6/70/3 pp 28, 29, 31 & 34.

See CIR v The Hong Kong & Whampoa Dock Co. Ltd., S Ct, OJ 1959 & S Ct, AJ 1960, HKTC85-112/V6/70/5 pp 86, 90 & 95.

- 69 See CIR v The Four Seas Co. Ltd., S Ct, OJ1958, S Ct, AJ 1958 and PC 1961, HKTC41-84/V6/70/4 pp 42, 55 & 64.
- See Lam Woo Shang v CIR, S Ct, OJ 1960 & S Ct, AJ 1961, HKTC123-165/V6/70/6 pp123, 130, 136, 141 & 145
- See Mok Tsze Fung v CIR, S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 167 & 179.
- See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966, HKTC185-228/V6/70/8 pp 186, 193 & 221.
- See CIR v Rico Internationale Ltd., S Ct, OJ 1965 & S Ct, AJ 1965, HKTC229-283 /V6/70/9 pp 237, 247, 257, 260, 268, 269 & 272.
- See Kum Hing Land Investment Co. Ltd. v CIR, S Ct, OJ 1967 , HKTC301-321/V6/70/11 pp 301 & 310.
- See Shun Lee Investment Co. Ltd v CIR, S Ct, OJ 1967, HKTC322-333/V6/70 /12 pp 322 & 328.
- See CIR v Montana Lands Ltd., S Ct, OJ 1968, HKTC 334-369/V6/70/13 pp 334 & 349.
- See Tai Shun Investment Co., Ltd. v CIR, S Ct, OJ 1968, HKTC370-389/V6/70/14 p 370.
- See In re Herald International Ltd., S Ct, OJ 1964, HKTC 393-410 /1S3/71/1/V6/70/15 pp 396 & 407.
- See CIR v Tai On Machinery Works Ltd.; Tai On Machinery Works Ltd. v CIR, S Ct, OJ 1969, HKTC411-432/1S3/70/2/V6/70/16 p 417.
- See CIR v Humphrey, S Ct, OJ 1970 & S Ct, AJ 1970, HKTC451-487/1S3/71/4/V6/70/18 p 451.
- See CIR v The Hong Kong Bottlers Ltd., S Ct, OJ 1970, HKTC497-514/2S3/72/2/V6/70/20 p 498.
- See CIR v Sewell, S Ct, OJ 1971, HKTC515-550/2S3/72/3/V6/70/71 p 515.
- See CIR v International Wood Products Ltd., S Ct, OJ 1971, HKTC551-571 /2S3/72/4/V6/70/22 pp 551, 558, 567-569 & 571.
- See CIR v Zim Israel Navigation Co. Ltd., S Ct, AJ 1972, HKTC573-582/3S7/74/1/V6/70/23 p 574.

69 See CIR v Hang Seng Bank Ltd., S Ct, AJ 1972, HKTC583-594/3S7/74/2/V6/70/24 p 583

See CIR v Sincere Insurance & Investment Co. Ltd., S Ct, AJ 1973, HKTC602-626/3S7/74/4/V6/70/26 p 603.

See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) pp 38 & 39.

See HKIRBRD97-101/1S9/74/8/V6/74/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) p 98.

70 **Assessments or amended assessments to be final.**

See CIR v Jebson & Co., S Ct, OJ 1949 S Ct, AJ 1949, HKTC1-10/V6/70/1 pp 2, 3 & 7.

See CIR v Karsten Larssen & Co. (H.K.) Ltd., S Ct, OJ 1951, HKTC11-27/V6/70/2 pp 12, 15, 17 & 27.

See Mok Tsze Fung v CIR, S Ct, OJ 1962, HKTC166-184/V6/70/7 pp 175 & 182.

See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 206.

See In re Independent Steamship Co. Ltd., S Ct, OJ 1970, HKTC433-450/1S3/71/3/V6/70/17 pp 437 & 440.

See CIR v Ernest C. Wong, D Ct 1973, HKTC595-601/3S7/74/3/V6/70/25 pp 600 & 617.

See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) pp 38 & 39.

See HKIRBRD97-101/1S9/74/8/V6/74/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) pp 97-99.

70A **Powers of assessors to correct errors.**

See Mok Tsze Fung v CIR, S Ct, OJ 1962, HKTC166-184/V6/70/7 p 178.

- 70A See *Kum Hing Land Investment Co. Ltd v CIR*, S Ct, OJ 1967, HKTC301-321/V6/70/11 pp 305 & 314
- See *CIR v Sincere Insurance & Investment Co. Ltd.*, S Ct, AJ 1973, HKTC 603-626/3S7/74/4/V6/70/26 pp 603 & 606
- See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property with determination, of the CIR as directed by that Board, (appealed to another Board) v CIR) pp 30-33, 38-41, 44, 45 & 48.

**Section****PART XII: PAYMENT AND RECOVERY OF TAX**

- 71 **Previsions regarding payment of tax.**  
See *CIR v Mutual Investment Co. Ltd ; Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966, HKTC185-228/V6/70/8 p 218.
- See *CIR v Chan Tin-Chu*, D Ct 1965, S Ct, AJ 1966, HKTC284-300/V6/70/10 pp. 285 & 296.
- 75 **Tax recoverable as a civil debt through the District Court.**  
See *CIR v Mutual Investment Co. Ltd ; Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 218.
- See *CIR v Au Yuk-Shuet*, D Ct 1966, HKTC489-496/2S3/72/1/V6/70/19 pp 489-491, 493 & 496.
- See *CIR v Ernest C. Wong*, D Ct 1973, HKTC596-601/3S7/74/3/V6/70/25 pp 595 & 597-601.
- 76 **Recovery of tax from a debtor of the taxpayer.**  
See *CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966, HKTC 185-228/V6/70/8 p 218.
- 77 **Recovery of tax from persons leaving Hong Kong.**  
See *CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. v CIR*, S Ct, OJ 1963, S Ct, AJ 1964 and PC 1966, HKTC185-228/V6/70/8 p 218.

**Section****PART XIV: PENALTIES AND OFFENCES**

- 80 **Penalties for failure to make returns, making incorrect returns, etc.**

80 See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) p 41.

82 **Penal provisions relating to fraud, etc.**  
See HKIRBRD30-48/V6/74/9/BR5/71 (A taxpayer having appealed to a previous Board against an estimated assessment for business profits tax raised in respect of the development of a property, with determination, of the CIR as directed by that Board (appealed to another Board) v CIR) pp 30-33, 38-41, 44, 45, & 48.

82A **Additional Tax in certain cases.**  
See CIR v Ernest C. Wong, D Ct 1973, HKTC595-601/3S7/74/3/V6/70/25 pp 595 & 596.  
See HKIRBRD97-101/1S9/74/8/V6/74/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) pp 97-100.

82B **Appeal against assessment to additional tax to Board of Review.**  
See HKIRBRD97-101/1S9/74/8/V6/74/20/BR17/72 (Taxpayer having profits estimated on the basis of Assets Betterment Statement v CIR) pp 97-100.

**Section PART XV: GENERAL**

86 **Board of Inland Revenue to specify forms.**  
See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 205.

87A **Approval of retirement schemes.**  
See HKIRBRD103-106/1S9/74/9/V6/74/22/BR3/73 (An employee of a Hong Kong company with receipts of lump-sums retirement award but immediately re-engaged on a monthly basis v CIR) p 104.

Rule 2B of the Inland Revenue Rules.  
See CIR v Mutual Investment Co. Ltd.; Mutual Investment Co. Ltd. v CIR, S Ct, OJ 1963, S Ct, AJ 1964 & PC 1966, HKTC185-228/V6/70/8 p 186.

MAK Hing-Wah, BA(HKU), MSCA, CPA, AASA, AHKSA, ATIIHK

(1) VOLUME issued in June 1974 ("V6/74") contains the following 13 cases:—

Table of Cases reported in:—										
(1) VOLUME issued in June 1974 (“V6/74”) contains the following 13 cases:—										
	Pages	Volume/ Supplement	Number of cases	Period covered	Cases in Revenue (X)	favour of taxpayer (Y)	Nature of Tax			
	1-66	V6/74	13:	1969-71	9	4	Profits(P) 3+1=4	Salaries(S) 9	Property(T) NIL	Interest(I) NIL
HKIRBRD	1- 3	V6/74/1/	BR 13/69		X			S		
“	3- 5	V6/74/2/	BR 20/69		X			S		
“	5- 8	V6/74/3/	BR 25/69		X			S		
“	8-12	V6/74/4/	BR 27/69		X			S		
“	12-16	V6/74/5/	BR 29/69		X		P			
“	16-21	V6/74/6/	BR 6/70			Y		S		
“	21-23	V6/74/7/	BR 13/70		X		P			
“	23-30	V6/74/8/	BR 3/71		X			S		
“	30-48	V6/74/9/	BR 5/71		X		P <sup>①</sup>			
“	48-54	V6/74/10/	BR 12/71			Y		S		
“	55-57	V6/74/11/	BR 13/71			Y		S		
“	58-62	V6/74/12/	BR 19/71		X		P			
“	62-66	V6/74/13/	BR 20/71			Y		S		
(2) FIRST SUPPLEMENT issued in September 1974 (“1S9/74”)										
This Supplement contains the following 11 cases, to be inserted at the end of the volume —										

67-111 1S9/74	<u>11</u> :	1968-71	<u>9</u>	<u>4</u>	<u>4+1=5</u>	<u>5</u>	<u>1</u>	<u>NIL</u>
HKIRBRD 67-72/1S9/74/1/V6/74/14/BR 8/68			X		P <sup>②</sup>	S		
“ 72-77/1S9/74/2/V6/74/15/BR15/71			X					
“ 77-84/1S9/74/3/V6/74/16/BR 3/72				Y	P			
“ 84-90/1S9/74/4/V6/74/17/BR 4/72			X		P			
“ 90-93/1S9/74/5/V6/74/18/BR 6/72			X			S		
“ 93-97/1S9/74/6/V6/74/19/BR16/72			X		P			
“ 97-101/1S9/74/7/V6/74/20/BR17/72			X		P			
“ 101-103/1S9/74/8/V6/74/21/BR 2/73			X			S		
“ 103-106/1S9/74/9/V6/74/22/BR 3/73			X			S		
“ 106-109/1S9/74/10/V6/74/23/BR7/73				Y		S		
“ 109-111/1S9/74/11/V6/74/24/BR13/73			X				T	
(3) SECOND SUPPLIMENT issued in April 1975 (“2S4/74”) This Supplement contains the following 7 cases, to be inserted at the end of the volume –								
112-148 2S4/74	<u>7</u> :	1973-74	<u>7</u>	<u>NIL</u>	<u>2</u>	<u>5</u>	<u>NIL</u>	<u>NIL</u>
HKIRBRD 113-118/2S4/75/1/V6/74/25/BR17/73			X			S		
“ 118-121/2S4/75/2/V6/74/26/BR18/73			X		P			
“ 121-124/2S4/75/3/V6/74/27/BR19/73			X			S		
“ 124-140/2S4/75/4/V6/74/28/BR20/73			X		P			
“ 140-143/2S4/75/5/V6/74/29/BR 3/74			X			S		
“ 143-145/2S4/75/6/V6/74/30/BR 4/74			X			S		
“ 145-147/2S4/75/7/V6/74/31/BR 5/74			X			S		
Accumulative total of HKIRBRD 31			<u>25</u>	<u>6</u>	<u>11</u>	<u>19</u>	<u>1</u>	<u>NIL</u>
	==		==	=	==	==	=	==
① note: Jurisdiction of the Board								
② note: Depreciation								

## Brief Notes on the Change in the Basis of Assessment for Profits Tax as effected by the Inland Revenue (Amendment) Ordinance 1975

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In view of the drastic change in the basis of assessment for Profits Tax as effected by the Inland Revenue (Amendment) Ordinance 1975, the present writer wishes to attempt a personal interpretation of the above-mentioned legislation.

The following brief notes present only work samples which are by no means exhaustive.

### Example 1:

#### Continuing Business

Accounting Date: 31st March

Year of Assessment	Computed under (Amendment) Ordinance		Computed under principal Ordinance	
	Assessable Profits for basis period	Section No.	Assessable Profits for basis period	Section No.
1974/75	1/4/74 to 31/3/75 (If assessable profits therefor are greater than those for 1/4/73 to 31/3/74)	18A(1)	1/4/73 to 31/3/74	18(1)
1975/76	1/4/75 to 31/3/76	18B(1)		

If Section 18A applies, I.A. for 1974/75 is as below – Section 40A(1):—

1974/75 I.A. on higher of capital expenditure incurred in interval (i.e. 1/4/73 to 31/3/74) or basis period from 1/4/74 to 31/3/75.

If Section 18 applies (i.e. Section 18A does not apply), I.A. for 1975/76 is as below – Section 40A(2):—

1975/76 I.A. on higher of capital expenditure incurred in interval (i.e. 1/4/74 to 31/3/75) or basis period from 1/4/75 to 31/3/76.

(Section 40A(3) :— Where the amount of capital expenditure incurred in the interval and the second basis period referred to in Sections 40A(1) and 40A(2) is the same, I.A. shall be made only on the capital expenditure incurred in the second basis period.)

A.A. for 1974/75 & 1975/76 – Sections 34(2) (a), 37(2) and 40(1)

- (1) Where Section 18A applies, the capital expenditure incurred in the two years ended 31st March, 1974 and 1975, [which, in the case of (P.1)]



machinery, shall be the cost, less I.A. as computed under Section 40A(1)] qualifies for *A.A. for 1974/75*.

- (2) Where Section 18 applies, the capital expenditure incurred in the two years ended 31st March, 1975 and 1976, [which, in the case of machinery, shall be the cost less I.A. as computed under Section 40A(2)] qualifies for *A.A. for 1975/76*.

**Loss for period 1/4/73 to 31/3/74 (where there are profits for year to 31/3/75)**

Under Section 19(1) the loss for year to 31/3/74 shall first be set off against the assessable profits (if any) for the year of assessment 1973/74. Under Section 19(2), the amount not so set off shall be carried forward and shall be set off against the assessable profits for the year of assessment 1974/75 computed under Section 18A(1).

**Loss for period 1/4/74 to 31/3/75 (where there are profits for year to 31/3/74)**

If a loss is sustained for the period from 1/4/74 to 31/3/75, Section 18A(1) does not apply. Under Section 19(1), such loss is available for set off against the assessable profits for the year of assessment 1974/75 computed under Section 18(1). Section 19(2) also applies.

**Note:** If the above company (which commenced business before 1/4/74) ceases business on 31/1/76, the basis period is as below:—

Year of Assessment	Basis Period	Section No.
1975/76	1/4/75 to 31/1/76	18D(2)

**Example 2:**

**Continuing Business**

**Accounting Date: 31st December**

Year of Assessment	Computed under (Amendment) Ordinance		Computed under principal Ordinance	
	Assessable Profits for basis period	Section No.	Assessable Profits for basis period	Section No.
1974/75	1/1/74 to 31/12/74 (if assessable profits therefor are greater than those for 1/1/73 to 31/12/73)	18A(2)	1/1/73 to 31/12/73	18(2)
1975/76	1/1/75 to 31/12/75	18B(2)		

**I.A. and A.A. for 1974/75 and 1975/76**

For the calculation of I.A. and A.A. for 1974/75 and 1975/76, please refer to Example 1. However, the interval and second basis period shall be those referred to in this Example 2.

**Loss for year to 31/12/73 (where there are profits for year to 31/12/74)**

Under Sections 19(1) and 19A(2), the loss for year to 31/12/73 shall first be set off against the assessable profits (if any) for the year of assessment 1973/74. Under Sections 19(2) and 19A(2), the amount not so set off shall be carried forward and shall be set off against the assessable profits for the year of assessment 1974/75 computed under Section 18A(2).

**Loss for period 1/1/74 to 31/12/74 (where there are profits for year to 31/12/73)**

If a loss is sustained for the period from 1/1/74 to 31/12/74, Section 18A(2) does not apply. Under Sections 19(1) and 19A(2), such loss is available for set off against the assessable profits for the year of assessment 1974/75 computed under Section 18(2).

**Note:** If the above company (which commenced business before 1/4/74) ceases business on 31/1/76, the basis period is as below:—

Year of Assessment	Basis Period	Section No.
1975/76	1/4/75 to 31/1/76	18D(2)

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**Example 3:**

**Commencement of Business:** 1/5/74

**Accounting Date:** 30th April

**1st Accounts made up:** from 1/5/74 to 30/4/75

Computed under  
(Amendment) Ordinance

Year of Assessment	Assessable Profits for basis period	Section No.
1974/75	Deemed to be no assessable profits	18C(2)
1975/76	1/5/74 to 30/4/75	18B(2)
1976/77	1/5/75 to 30/4/76	18B(2)

**Note:** If the above company (which commenced business after 1/4/74) ceases business on 31/1/76, the basis period is as below:—

Year of Assessment	Basis Period	Section No.
1975/76	1/5/74 to 31/1/76	18D(5) appears to apply (See note)

**Note:** I.R.D.'s attention should be drawn to the following point whether there is any inconsistency between Section 18D(5) and Section 18C(2):—

(P.3)

Section 18D(5) refers to business which is commenced on or after 1/4/1975, but Section 18C(2) refers to business which was commenced on or after 1/4/1974.

Example 4:

Business Commenced: 1/7/73

Accounting Date: 31st December

1st Accounts made up: from 1/7/73 to 31/12/73

Year of Assessment	Computed under (Amendment) Ordinance		Computed under principal Ordinance	
	Assessable Profits for basis period	Section No.	Assessable Profits for basis period	Section No.
1973/74				
(Unchanged)	1/7/73 to 31/3/74	18(3)	1/7/73 to 31/3/74	18(3)
1974/75	The greater of:— (a) the lesser of Assessable Profits for:— (i) Year to 31/12/74, or (ii) 1/4/74 to 31/3/75; or (b) 1/7/73 to 30/6/74.		1/7/73 to 30/6/74	18(4)
	This section applies if (a) is greater than (b).	18A(3)		
1975/76	Year to 31/12/75	18B(2)		

Note: If the above company (which commenced business in the year of assessment 1973/74) ceases business on 31/1/76, the basis period is as below:—

Year of Assessment	Basis Period	Section No.
1974/75	1/4/74 to 31/3/75	18D(4) (a)
1975/76	1/4/75 to 31/1/76	18D(4) (b)

Example 5:

Commencement of Business: 1/7/74

Accounting Date: 31st December

1st Accounts made up: from 1/7/74 to 31/12/74

Year of Assessment	Computed under (Amendment) Ordinance	
	Assessable Profits for basis period	Section No.
1974/75	1/7/74 to 31/12/74	18C(1) (a)
1975/76	Year to 31/12/75	18B(2)
1976/77	Year to 31/12/76	18B(2)

Note: If the above company (which commenced business after 1/4/74) ceases business on 31/1/76, the basis period is as below:—

Year of Assessment	Basis Period	Section No.
1975/76	1/1/75 to 31/1/76	18D(1)

**Example 6:**

**Commencement of Business:** On or after 1/4/1974

**Accounting Date:** Some day other than the 31st March

**1st Accounts made up:** for a period in excess of a year

Under Section 18C(1)(b), if the first accounts are for a period in excess of a year, and are made up to a day within a year of assessment following that in which the commencement occurred, the assessable profits for the commencement year shall be computed on such basis as the Commissioner thinks fit.

It is proposed (subject to agreement by the I.R.D.) to treat such first accounts as if they were divided into the following two periods:—

- (1) Period from the date of commencement to the corresponding accounting date in the commencement year.
- (2) Period of one year from the day immediately after the end of the period in (1) above to the accounting date in the year of assessment following that in which the commencement occurred.

Thus, the first accounts made up for 18 months from 1/7/1974 to 31/12/1975 are treated as if they were divided into the following 2 periods:—

- (1) 1/7/74 to 31/12/74
- (2) 1/1/75 to 31/12/75

The computation of assessable profits is similar to that in Example 5 as follows:—

Year of Assessment	Basis Period	Section No.
1974/75	1/7/74 to 31/12/74	18C(1)(b) and 18E(3)
1975/76	Year to 31/12/75	18B(2), 18C(1)(b) and 18E(3)

**Example 7:**

**Commencement of Business:** On or after 1/4/1974

**Accounting Date:** 31st March

**1st Accounts made up:** for a period in excess of a year

- (a) If the first accounts are made up for 16 months from 1/12/1974 to 31/3/1976, the basis periods for 1974/75 and 1975/76 are as below:—

Year of Assessment	Basis Period	Section No.
1974/75	1/12/74 to 31/3/75	18(3) and 18E(3)
1975/76	1/4/75 to 31/3/76	18B(1) and 18E(3)

(b) If the first accounts are made up for 17 months from 1/11/1975 to 31/3/1977, the basis periods for 1975/76 and 1976/77 are as below:—

Year of Assessment	Basis Period	Section No.
1975/76	1/11/75 to 31/3/76	18B(1) and 18E(3)
1976/77	1/4/76 to 31/3/77	18B(1) and 18E(3)

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**Example 8:**

**Brief interpretation of some other sections of the I.R. (Amendment) Ordinance 1975:—**

**Repeal of Section 15A**

W.e.f. 1975/76, Section 15A is repealed.

Where a person owns the ultimate controlling interest in two or more businesses, the assessable profits or losses thereof can no longer be aggregated for the purposes of Profits Tax, and a single assessment shall not be made in the sum of the assessable profits or losses w.e.f. 1975/76.

**Note:—** Please see amended Section 42 which provides for similar aggregation of an individual's assessable profits or losses (including his share of partnership assessable profits or losses) under Personal Assessment w.e.f. 1975/76.

**Deletion of Sections 15(1)(e) and 16(1)(c)**

W.e.f. 1975/76, these sections are deleted.

Therefore, a balancing charge is not included as a trading *receipt* under Section 15(1), and the allowances provided by Part VI (Depreciation, etc.) are not included as deductible *outgoings and expenses* under Section 16(1).

The allowances and charges provided by Part VI (Depreciation, etc.) are dealt with as adjustments to the assessable profits or losses under Sections 18F and 19E.

**Section 16D – Approved charitable donations**

The aggregate of approved charitable donations (other than allowable deduction under Section 12(1)(c), 16, 16B or 16C) of not less than \$100 shall be deducted in the basis period for a year of assessment from the assessable profits for that year of assessment to the maximum extent of 10% of such balance of the assessable profits after making any adjustment for allowances and charges provided under Part VI (Depreciation, etc.)

**Section 18D(3) – Transfer of a business by a person in 1975/76**

This section applies where:—

(a) a person (who commenced business before 1/4/74) ceases business in the year of assessment 1975/76 due to the transfer of the business to any

other person (and not by reason of the death of an individual, not being a wife to whom Section 15B applies, previously carrying on a business as the sole proprietor thereof), *and*

(b) the assessable profits for 1974/75 have not been computed under Section 18A(1) or (2), *and*

(c) the basis period for year of assessment 1974/75 ended on a day within the year of assessment 1973/74.

For example, if a person ceases business on 31/1/1976 in the above circumstances, and the basis period for year of assessment 1974/75 is the year ended 31/12/73 under Section 18(2), then the basis period for year of assessment 1975/76 is the period from 1/1/75 (\*) to 31/1/76 (date of cessation).

**Note :—** (\*) = Period beginning one year after 31/12/73 (end of basis period for 1974/75).

#### **Section 18E(1) and (2) – Change of accounting date**

Where a person changes the annual accounting date, the assessable profits for the year of assessment, in which the change is made, shall be computed and those for the year preceding that year of assessment shall be recomputed on such basis as the Commissioner thinks fit.

**Note:—** A Lunar year is accepted as one financial year.

#### **Sections 18F and 19E – Adjustment of assessable profits or losses**

With effect from the year of assessment 1975/76, the implied meaning of assessable profits or losses is as below:—

Assessable profits = Assessable profits after making any adjustment  
for allowances and charges provided under Part VI  
(Depreciation, etc.)

Losses = Losses after making any adjustment for allowances and  
charges provided under Part VI (Depreciation, etc.)

**Note:—** W.e.f. 1975/76, Sections 15(1)(e) and 16(1)(c) are deleted.

#### **Section 19A(3) – Computation of losses – Commencement of business in 1974/75**

Where a person commences business in the year of assessment 1974/75, any loss incurred in that year of assessment shall be computed on the same basis as that for computing assessable profits under Section 18C.

#### **Section 19C – Treatment of losses w.e.f. 1975/76**

This section refers to the treatment of losses sustained after 1/4/1975:  
(P.7)

**Section 19C(1) – Proprietorship (Personal Assessment not elected)**

Losses shall be carried forward and set off against assessable profits for subsequent years of assessment, if the proprietor does not apply for personal assessment.

**Section 19C(2) – Partnership (Personal Assessment not elected)**

If a partner does not apply for personal assessment, his share of the loss in the partnership shall be carried forward and set off against his share of assessable profits of the partnership for subsequent years of assessment.

**Section 19C(3) – Election of Personal Assessment by an individual**

Where an individual elects for personal assessment, the loss of his business or his share of the loss in a partnership shall be dealt with under Part VII (Personal Assessment).

**Section 19C(4) – Loss of a corporation or an unincorporated body**

Where a corporation or an unincorporated body (consisting of *more than* 20 partners) sustains a loss in a business, the loss shall be set off against the assessable profits of the corporation or the unincorporated body (including its share of the assessable profits of a partnership) for the same year of assessment, and the amount not so set off shall be carried forward and set off against the corporation's or the unincorporated body's assessable profits and its share of partnership assessable profits for subsequent years of assessment.

**Section 19C(5) – Share of Partnership Loss of a corporation or an unincorporated body**

Where one of the partners in a partnership is a corporation or an unincorporated body (consisting of more than 20 partners) and such a partnership sustains a loss in a year of assessment, then the corporation's or the unincorporated body's share of that loss shall be set off against the assessable profits of the corporation or the unincorporated body for that year of assessment.

The amount (or balance) of loss not so set off shall be carried forward and be set off first against the corporation's or the unincorporated body's share of the partnership assessable profits and, to the extent not so set off, then against the assessable profits of the corporation or the unincorporated body.

**Sections 19C(7), 22A(3), 27, 42(8) and 42(9) – Meaning of “partnership”**

“Partnership” means a partnership consisting at any time in a year of assessment of *not more than* 20 partners.

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In calculating the number of partners in a partnership, there shall be included every partner in any other partnership which is itself a partner in the first-mentioned partnership.

An unincorporated body consisting of *more than* 20 partners is treated as if it were a corporation under Sections 19C(4) and 19C(5).

#### **Section 19D – Computation of losses after 1/4/1975**

For the purposes of the treatment of losses after 1/4/1975 (w.e.f. 1975/76) under Section 19C, the loss for any year of assessment shall be computed in like manner and for such basis period as the assessable profits for that year of assessment would have been computed.

#### **Section 22A(1) and (2) – Ascertainment of share of partnership profits or losses**

The partnership assessable profits or losses for a year of assessment shall be *apportioned amongst the persons who were partners during the basis period* in the profit and loss sharing ratio applicable to the basis period; and the profits or losses as so apportioned shall *constitute the individual partners' shares* of the assessable profits and losses *for that year of assessment*.

**Note:**—For the above purposes, any loss brought forward under Section 19C shall be excluded from the partnership assessable profits.

(Note :— W.e.f. 1975/76, Section 22(3) proviso is no longer applicable.)

#### **Section 42 – Personal Assessment**

W.e.f. 1975/76, Section 42 has been amended so that an individual's assessable profits (including his share of partnership assessable profits) are included in, and his losses (including his share of partnership losses) are deducted from, his "total income" under Personal Assessment.

Where the loss exceeds the total income (after deducting approved charitable donations under Section 42(2)(a)), the excess shall be carried forward and set off against the individual's total income for future years of assessment under Personal Assessment. Where such excess is brought forward to any year of assessment, the individual shall, whether or not he had made the election, be deemed to have elected for Personal Assessment and shall be assessed to tax for that year of assessment under Personal Assessment.

#### **Part XB – Provisional Profits Tax**

W.e.f. 1975/76, every person who is chargeable to Profits Tax for a year of assessment shall be liable to pay provisional profits tax by reference

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to the amount of assessable profits (before deducting any loss available for set off) for the year preceding the year of assessment, but after the set off of any loss available for set off in that year of assessment under Section 19 or 19C.

Section 63J refers to the holding over of payment of provisional profits tax.

The provisional profits tax paid shall be applied in payment first of (a) the Profits Tax payable for that year of assessment, and then (b) the provisional profits tax payable in respect of the year succeeding that year of assessment. Any amount not so applied shall be refunded.

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## APPENDIX I

**Section 18(4) Proviso**

Where the commencement of business is in the year of assessment 1973/74, the claim for recomputation on the basis of the actual profits under Section 18(4) Proviso shall relate only to the year of assessment 1974/75.

**Section 18D(2) Proviso – Transfer of a business by a person**

W.e.f. 1975/76, where a person (who commenced business before 1/4/1974) ceases business due to the transfer of the business, or any part thereof, to any other person (and not by reason of the death of an individual, not being a wife to whom Section 15B applies, previously carrying on a business as the sole proprietor thereof), the basis period for any year of assessment in which the cessation occurs shall be the period *based on Section 18D(1)*, i.e. the period beginning on the day following the end of the basis period for the year preceding the year of assessment and ending on the date of cessation.

However, Section 18D(2) Proviso is subject to Section 18D(3) if the cessation occurs in the year of assessment 1975/76.

**Clause 44 of the I.R. (Amendment) Ordinance 1975**

Attention should be drawn to this Clause in connection with the basis of computing provisional profits tax for the year of assessment 1975/76, where a person commenced business before 1/4/1974.

# 賦稅雜談

劉仲謙

## 賦稅之起源

人類愛好和平生活，常欲得安享太平，以樂渡其傳統之習俗，發揚其固有之文化。然欲達此目標，須有強固之政府，保障其國民之生活。置軍備以抗拒侵擾，設警察以維持治安，立法律以保障正義，興建設以富裕民生。然後人民可以安居樂業。更進一步而舉辦社會公益，建築道路、橋樑、醫院、學校、民娛康樂場所。凡此政舉，在在需財。仰給度支，惟賴賦稅。

課稅之初期，乃採用自由捐助式，與現時教會徵募捐款無異。財力強而熱心者多捐，反之則少捐。其後此辦法究竟不甚妥善，乃改為強迫徵收式。於是稅制興焉。

## 課稅之類別及其理論

法皇路易十四世時代，財政部長歌露拔(Jean Baptiste Colbert)曾有名言，論及徵稅之技巧。其言曰：『徵稅如拔鵝毛。能拔得鵝毛最多，而鵝羣叫囂最少者，斯為拔鵝毛最佳技巧。』三百年來，各國財政當局，於訂立稅制之時，莫不以此名言為惕。此言雖近滑稽，但有至理存焉。大概與此名言最接近者，則為良好之稅制，去此名言愈遠者，則為愈劣之稅制也。

徵稅制度大致可分為二，即(甲)直接稅及(乙)間接稅是也。

(甲)直接稅乃由付稅之人負擔，不能將稅轉嫁於別人，如入息稅，遺產稅是也。

(乙)間接稅乃由享用商品之人負擔，故又可稱商品稅。例如煙酒稅，奢侈品稅，商品入口稅是也。此等稅可由付稅人將其轉嫁於別人，而由享用商品之人負擔之。

課稅方法，須具相當技巧。增加課稅率，未必遂能增加稅款收入。例如對於某種商品，如其課稅率增加，該商品之耗用，或因而減少，因用者可盡量節省耗用該商品，或設法尋求其他商品以代替之。因此，稅率雖增高，稅項收入，或反而減少。良好之稅制，應以下列六原則為依據，庶幾該稅能維持永久，而獲得良好之稅收。六項原則如下：

### (一)課稅須平等

所謂平等，乃指納稅之人，須按照其可負擔之能力而納稅。甲每月入息五百元如須其繳納入息稅5%，乙每月入息六千元如亦須其繳納入息稅5%，驟視之，似乎平等，但其實極不平等，因甲已覺得負擔太重，而乙實似乎不甚費力也。近代入息稅制，採用累進率乃避免此種不平等之負擔也。反觀之，間接稅之不平等，實顯而易見，蓋富者與貧者對於享用某一商品，同須付出相等之稅款。例如富者享用啤酒一瓶，與貧者享用啤酒一瓶，各須付出相同之稅款。由此可見間接稅對於富者與貧者，其壓力之輕重已不言而喻矣。

### (二)須有肯定性

徵稅須有肯定性，對於付稅日期，付稅方法，應繳稅額，均須詳細列明，

使納稅人預先詳悉之。

### (三)須利便繳納

對於繳稅時間，繳稅方法，均須務求利便。關於此點，間接稅比較利便，因祇按量按價計稅。至於直接稅，則因須「依照能力納稅」，每年着令有資格納稅之人呈報其入息數額，然後課以應課之稅。此舉殊非方便，蓋計算入息並非易事也。

### (四)徵稅費用須輕少

因徵稅而支出之費用以愈少而愈佳。庶使所收得之稅款，不須減除龐大之徵稅費用。反之，如徵稅費用龐大，開徵該稅，即失其意義，蓋收支相抵，所餘無多矣。

間接稅之徵收費用比較少，因間接稅乃按商品量或商品值徵收，比較容易肯定其稅源，及容易計算其稅額。直接稅之徵收費用比較龐大。直接稅如入息稅，遺產稅等，其調查手續繁多，有時費盡工作，而結果祇能徵稅甚少甚或無稅可徵，蓋直接稅乃按納稅人獲純利之多少而課稅者也。

### (五)須稅源穩定

前已言之，某種商品，有時可由另一種商品代替之。例如皮革及其他製品，近來已可用塑膠製品代替之。如欲徵收皮革製品稅，則須預料稅民可改用塑膠製品。皮革製品稅或徵收不成，徒耗去徵稅費用而已。

### (六)稅率須有伸縮性

訂立徵稅條例，須經過不少手續與立法程序。故徵稅條例，不宜輕易更改。至於徵稅率，則需因應支出預算而增加或減少之。例如某地現行之營業溢利稅，乃按純利額徵收百分之十五(15%)。如需要時，可將稅率增加至百份之二十(20%)。或減為百份之十(10%)。如此增加或減少，均不須將徵稅條例更改，實比較方便者也。

由上述各點觀之，可知徵收直接稅，可使納稅人負擔公平，及稅源穩定。(請參閱上述第五點)。最良之稅制，乃直接稅與間接稅並用。至於徵收直接稅之結果，則易於啓發納稅人政治醒覺。如果入息稅徵稅額範圍擴大，即將免稅額降低，使大多數入息較低者，均有納稅資格，則納稅人此時對於政府各項措施，必關懷備至。蓋納稅人付稅之後，必欲知悉該稅款究竟用作何途？由此啓發其參加政治之興趣，試觀無直接稅徵收之國家，其國民對於政治之興趣，比較淡薄，不無原因也。

至於徵收購物稅及額外營業利得稅，則可減少貨幣對於商品之壓力。如果市面貨幣太多而商品供應量不增加，則物價必上漲，所謂多量貨幣，追逐少量商品是也。如此則商品必為富者所搶購，而貧者只可望門興嘆而已。故購物稅(Purchase Tax)及超額營業利得稅(Excess Profits Tax)實可將過量資金，納於正途，增廣公共建設，使一般市民，同沾其惠。總之，徵稅之現象，雖恍如拔鵝毛，但優良之稅制，則有深長之意義，吾人實應折躬稱服者也。

## 物業稅增徵之後

劉仲謙

一九七六至七七年度（即由1.4.1976至1.4.1977止）之物業稅徵收單，昨（一日）已由稅務局分寄發給各業主。今年物業徵收之增加幅度，約比去年（1.4.1975至31.3.1976）增加百分之二十五（25%），甚至有增加至一倍以上者。稅民對此，無限困悶。付稅增加，已成既定局面。彷彿如蜂刺一針，委實難受。

### 增徵物業稅之理論根據

歷來徵收物業稅，均依照差餉物業估價署（Department of Rating and Valuation）所估定之物業估價值（Rateable Value），減除百分之二十（20%），作為業主之開支及屋宇之維持費，然後將其差額，乘以百分之十五（15%），即成為每年物業稅之徵收額。差餉估價值（Rateable Value），原則上每年評估一次。如果租值變動不大，或工作趕不及之時，則在較後時間，方作評估。根據政府發表，現時之差餉估價值（Rateable Value），乃在一九七二年評定，至今未有更改。實際上，一般業主現時所收之租金，已遠比一九七二年為高。（受租務條例管制者除外。）因此，政府認為如果依照一九七二年所評定之差餉估價值（Rateable Value），而計算物業稅之徵收額，則已與現實環境脫節。換言之，即業主佔便宜，而政府方面吃虧。因此，香港地方稅務局（Inland Revenue Department）對於本港各物業，另作一個評稅值（Assessable Value）。根據此評稅值，仍然減除百分之二十（20%），將其差額乘以15%，乃得物業稅之徵收額。

物業稅乃地方稅之一種，依照收入之多寡而徵收。地方稅務局根據業主收入之多寡，而定出一個評稅值（Assessable Value）。稅務局此項主張，是站得穩的。

### 增徵物業稅對於自住業主及有限公司並無影響

居住自己物業之業主，免繳其所居住之物業稅，此乃眾所週知。此次增徵物業稅，與居住自己物業之業主無關。

有限公司如果有租項收入，可以依照地方稅務條例第5（2）（a）條，申請免繳物業稅，而將租金收入，撥入公司經營收入利，而繳納溢利稅。因此，物業稅之多或寡，對於有限公司，並無影響。

### 增徵物業稅對於私人稍有影響

從前徵收物業稅，乃根據差餉估價值（Rateable Value）計算。現時徵收物業稅，乃根據稅務局作出之評稅值（Assessable Value）計算。因前者比較後者為低。私人有租項收入，而不申請個人評稅（Personal Assessment）者，自然可付較少之物業稅；蓋租金之實際收入，常比差餉估價值（Rateable Value）為高。以較高之收入，付繳較低之物業稅，自然佔得便宜。但如果申請個人評稅（Personal Assessment），則租金收入，併入個人總收入之內，乃得退還已繳交之物業稅，而另繳納個人稅（Personal Tax）。因此，物業稅之多寡，亦無影響。本節所謂稍有影響徵收者，乃指私人業主而不申請個人評稅（Personal Assessment）之少數人而已。反觀之，此類人士，從前已佔得便宜。現時不過根據其實際收入計稅，而不是根據差餉估值（Rateable Value）計稅。將事實矯正，亦不能謂之不公平。但如果評稅值（Assessable Value）超出其實際收入，則真正不公平。業主可於一個月內（即本年九月底之前），提出反對。此點不可不注意也。

### 物業評稅值增加之後如果差餉亦增加對於民生各方面之影響

#### (甲) 差餉增加商業皮費方增重

物業評稅值 (Assessable Value) 增加之後，物業稅 (Property Tax) 額隨之增加。物業稅乃直接稅之一種，甚難轉嫁於別人 (消費者)。但須注意一點，將來差餉估價值 (Rateable Value) 是否亦隨之而增加。果若爾，則商業皮費加重，物價當然受影響。因差餉並非直接稅，可以轉嫁於消費者身上。現時習慣，差餉已多數由租客負擔，此增加之數，難免轉嫁於物價之中，由此物價必難逃上漲。如果差餉包括在租金之內者，則業主方面吃虧矣。

#### (乙) 物價增漲之影響

物價增漲，工人工資，相應增加。如果工資增加相稱，則形成物價增漲之惡性循環。如果工資增加不相稱，則吃虧者在於工人方面。

#### (丙) 物價增加消費力量削弱

物價增加，消費力量削弱。小康之家，因負擔稅項加重，消費力亦減弱。由此形成生意不景。營商者因此減縮開支，受影響者仍在工人方面。除非工人投身入製造行業，生產出口貨品，以博取外來資金。否則工人職業，殊有問題。政府增徵 (直接) 稅，乃導使工人投身入製造出口商品，以弋取外匯。故增稅實有打擊消費生意之作用。除非消費生意，多受外來遊客光顧，則又作別論。

#### (丁) 增稅後維持繁榮之出路

增稅後維持商業繁榮之出路，惟有依靠外貿發展，增加出口商品之產量，及展拓外來旅遊業事。

#### 增稅後之政費支出應更注意下列各點

因增稅而收得之款項，須用於下列各途，而不應企圖增加盈餘而撥入準備金 (Reserve)，亦不應用作資本開支，(Capital Expenditure) 如增置資產等。總之，取之於富有者，須用之於市民全體享用。例如：

(甲) 從速實行小學完全免費教育，及擴充中學學位及設備。

(乙) 增加醫藥治療。擴充醫院設備。醫生人手不足，及臨時帆布病牀等現象，應不再見。

(丙) 增加社會福利。殘廢弱能老弱者，須得更多照顧。

(丁) 增加文娛活動。

以上服務，富有者可以自費另求供應。吾人甚少見富有者輪候政府醫院門診，及接受福利老人金等，即此之故。總之，富有者出錢，而一般普羅民衆享用，方為稅收之合理用途。直接稅用之於此途，然後不致刺激工資上升。蓋一般低薪者得免費或廉費享用此等服務，則工資保持不變，亦能如常過活。工資保持不變，物價波動自然微小。

#### 結 論

稅民多付出此項增加之物業稅後，亦不應怨悔。蓋改善一般市民生活，亦即改善富有者之周遭環境。如果環繞富有者之一般市民，各均苦困而不能自立，社會秩序擾然，試問富有者有何樂趣？是否以遷地為良？故此，稅民不必斤斤計較付稅之增加，而應密切注意稅款之用途，方為今後之急務也。

最後，吾人應注意政府下一步驟是否作差餉 (Rates) 之增加。增加差餉，與增加物業稅，性質當有不同，容再另文論之。

# 日本算盤用法

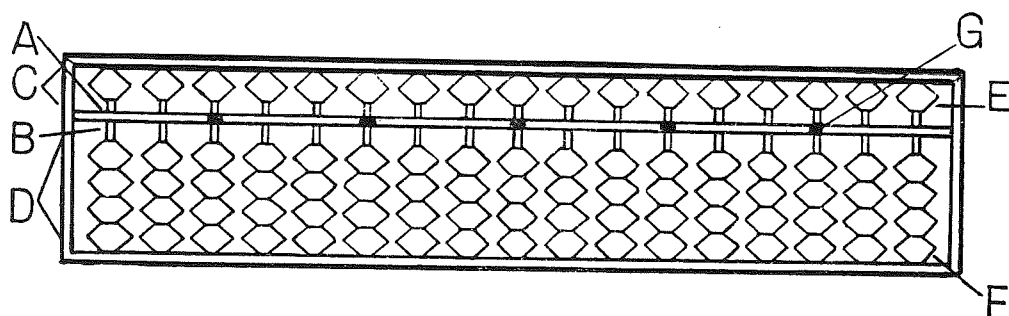
劉仲謙

日本算盤，計算準確敏捷，攜帶利便，久為世所重視。我國學子雖然幾乎每人均通曉我國算盤，但欲知日本算盤之用法，以供參考者，亦大不乏人。惜乎用中文寫成之日本算盤用法書，坊間似尚未有發售。筆者在坊間得見一淺易之日本算盤用法書，用英文寫成。爰搦管譯成此短文，間或稍加己意之更欲表達者，以供大眾參考。已通曉我國算盤之我國人士，閱此當更易於瞭解也。

## 第一章 日本算盤

下列圖形，乃日本現時所通用之算盤

### 第一節 算盤各部份及其名稱



- (A) 乃橫梁，將算盤分成上下兩部。
- (B) 乃直柱。
- (C) 乃算盤之上部。
- (D) 乃算盤之下部。
- (E) 乃代表 5 之珠。
- (F) 乃代表 1 之珠。
- (G) 乃代表「單位」(Unit)位置。



## 第二節 珠之數字價值

在單位左便柱之珠，其數字之價值，比較在單位右便柱之珠爲大。

每柱在算盤之上部有一珠，在算盤之下部有四珠。在算盤上部之一珠，代表 5；在算盤下部之四珠，每珠代表 1。因此，在上部之一珠，亦名曰「5-珠」

在橫梁上之記號，乃「單位」記號；每隔三柱，則標誌「單位」記號一個，此乃利便計算而已。

每珠之價值大小，乃視乎該珠在算盤內之位置而定。

每珠均可在柱內向上或向下移動，但均與橫梁有關。上珠向上移動，乃表示離去橫梁；上珠向下移動，乃表示進達橫梁。下珠向上移動，乃表示進達橫梁；下珠向下移動，乃表示離去橫梁。吾人欲置價值於珠，則須將珠移達於橫梁；吾人欲將珠之價值消失，則須將珠移離橫梁。將珠移達於橫梁，則曰「止」珠；將珠移離橫梁，則曰「去」珠。（附註：上字讀上聲作活字用。以後作活字用之「上」均讀上聲）

解釋運用算盤之手法，下列符號，可助瞭解：



此符號表示用食指或用拇指將珠向上撥。在算盤之上部，用食指去珠；在算盤之下部，用拇指止珠。（讀上聲）



此符號表示用食指將珠向下撥。在算盤之上部，珠向下撥，表示止珠；在算盤之下部，珠向下撥，表示去珠。



此符號表示前時已上妥之珠。



此符號表示現時新止之珠。



此符號表示已去之珠。

## 第二章 置數目於算盤

欲表示一個位數目字，例如 1，2，3，4 等，祇須將同量之下珠，推上向橫梁移動，至觸及橫梁爲止。例如移上「下珠」一顆，二顆，三顆，四顆等。

如欲表示 5，則須將上珠推下向橫梁移動，至觸及橫梁爲止。

欲表示 6，則須將上珠推下向橫梁移動，至觸及橫梁爲止；同時並將下珠一顆，推上向橫梁移動，至觸及橫梁爲止。

欲表示 7，則須將上珠推下向橫梁移動，同時並將下珠二顆，推上向橫梁移動。

欲表示 8，及 9，亦仿此法乃可。

欲表示 10，則在左便第一柱將下珠一顆，推上向橫梁移動。欲表示 100，則在左便第二柱，將下珠一顆，推上向橫梁移動。欲表示 1,000，則在左便第三柱，將下珠一顆，推上向橫梁移動。

尙須注意者：上文所謂「將珠推上或推下移向橫梁，乃指將珠推至觸及橫梁爲止。但下珠第二顆不能觸及橫梁則，以推至觸及第一顆下珠爲止，餘做此類推。總而言之，上珠離去橫梁之時，必須推至觸及算盤之上邊沿爲止。下珠第四顆離去橫梁之時，必須推至觸及算盤之下邊沿爲止。下珠第三顆離去橫梁之時，必須推至觸及第四顆下珠，更使第四顆下珠，觸及算盤之下邊沿。下珠第二顆，及第一顆，離去橫梁之時，亦必須做此方法推下，使每珠緊接，至第四顆下珠觸及算盤之下邊沿爲止。

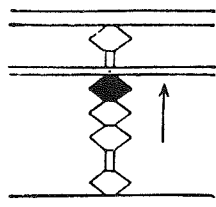
換言之，下珠向上或向下移動時，必須每顆互相緊觸，不能使其散渙而稍有空距，此則須注意者也。

### 第三章 計算方法

加法及減法，為計算方法之基礎。因此，在初學之時，應熟習撥珠正確方法，及純熟運用拇指及食指之動作。

#### 第一節 加 法

(A)  $1 + 2 = 3$



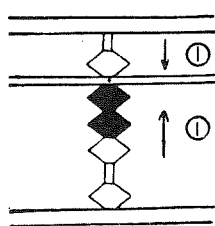
(A) 在此練習，須運用拇指，止下珠二顆。  
計算下列練習，亦做此方法：

$1 + 3$  ,                       $2 + 2$  ,

$5 + 1$  ,                       $6 + 3$  ,

$7 + 2$  ,                       $8 + 1$  ,

(B)  $2 + 6 = 8$

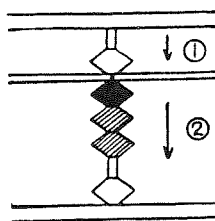


(B) 在此練習，用食指止 5，同時，用拇指止 1。計算下列練習，亦做此方法：

$1 + 7$  ,                       $3 + 6$  ,

$2 + 7$  ,                       $1 + 8$  ,

(C)  $3 + 3 = 6$

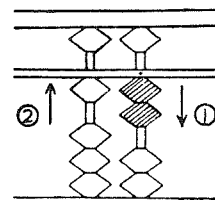


(C) 在此練習，用食指止 5 及去 2。計算下列練習，亦做此方法：

$3 + 4$  ,                       $4 + 4$  ,

$2 + 4$  ,                       $4 + 3$  ,

(D)  $2 + 8 = 10$

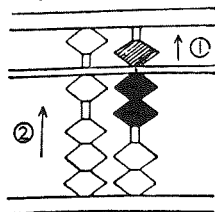


(D) 在此練習，用食指去 2，同時，用拇指在左鄰柱止 1。計算下列練習，亦做此方法：

$2 + 9$  ,                       $3 + 8$  ,

$4 + 7$  ,                       $4 + 9$  ,

(E)  $7+5=12$



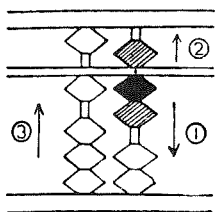
(E) 在此練習，用食指去 5，同時，用拇指在左鄰柱止 1。

計算下列練習，亦做此方法：

$5+5,$                        $8+5,$

$9+5,$                        $6+5,$

(F)  $7+4=11$



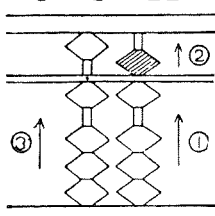
(F) 在此練習，用食指去 6，又用拇指在左鄰柱止 1。

計算下列練習，亦做此方法：

$8+2,$                        $9+4,$

$8+4,$                        $9+3,$

(G)  $5+6=11$



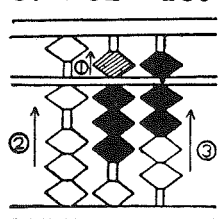
(G) 在此練習，用拇指止 1，同時用食指去 5，然後又用拇指在左鄰柱止 1。

計算下列練習，亦做此方法：

$6+8,$                        $7+7,$

$5+9,$                        $6+8,$

(H)  $87+52=139$

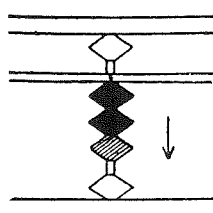


(H) 在此練習，做照上述(E)例之方法，將 52 之 50，加於 87 之 80，然後做照上述 (A) 例之方法，加 2 於 7。

若將上列各例，及相似之例，勤於練習，則吾人對於較大數目之加數，亦必易於計算。

## 第二節 減 法

(A)  $3-1=2$



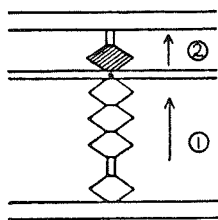
(A) 在此練習，用食指去 1。

計算下列練習，亦做此方法：

$2-1,$                        $3-4,$

$8-2,$                        $9-3,$

(B)  $5 - 2 = 3$



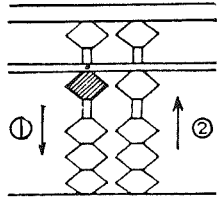
(B) 在此練習，用拇指止 3，同時用食指去 5。

計算下列練習，亦做此方法：

$5 - 1,$        $6 - 3,$

$8 - 4,$        $7 - 3,$

(C)  $10 - 9 = 1$



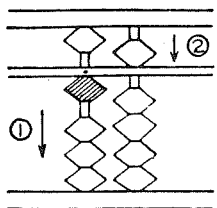
(C) 在此練習，用食指去 10，然後用拇指在右鄰柱止 1。

計算下列練習，亦做此方法：

$10 - 8,$        $10 - 7,$

$11 - 9,$        $12 - 8,$

(D)  $10 - 5 = 5$



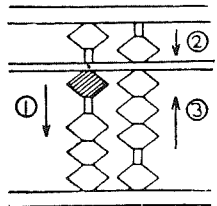
(D) 在此練習，用食指去 10，然後用食指在右鄰柱止 5。

計算下列練習，亦做此方法：

$11 - 5,$        $12 - 5,$

$13 - 5,$

(E)  $10 - 2 = 8$



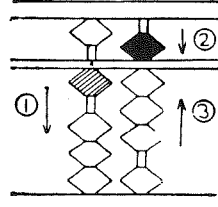
(E) 在此練習，用食指去 10，及止 5，同時用拇指在右鄰柱止 3。

計算下列練習，亦做此方法：

$10 - 3,$        $11 - 2,$

$12 - 4,$

(F)  $15 - 7 = 8$



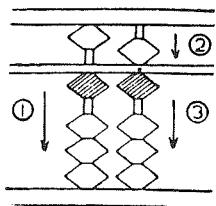
(F) 在此練習，用食指去 10，然後用拇指在右鄰柱止 3。

計算下列練習，亦做此方法：

$15 - 9,$        $16 - 7,$

$18 - 9,$

(G)  $11 - 6 = 5$



(G) 在此練習，用食指去10，止5，又在右鄰柱去1。

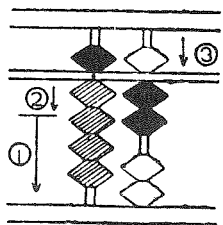
計算下列練習，亦做此方法：

$12 - 7,$

$13 - 8,$

$14 - 9,$

(H)  $92 - 35 = 57$



(H) 在此練習，做照上述(A)例，將92之9，減去35之3。

但2不能減5，因此，從左鄰柱借10，然後做照上述(D)例，從12減5。

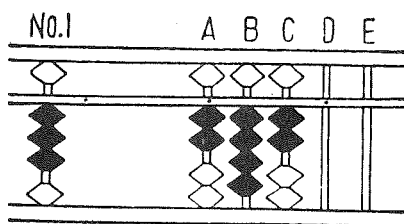
與學習加法相同，學習減法，亦須常常練習，若將上舉各例，及相似之例，

常常練習，則吾人甚易算出任何較大數目之減數。

### 第三節 乘法

用算盤計算乘數，須唸乘數表。欲算出積，須先尋出部份之積，然後依次序加。

例一  $242 \times 3 = 726$

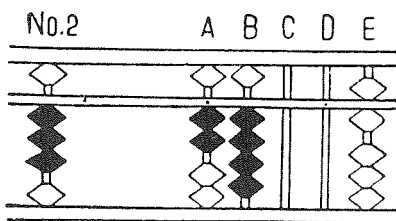


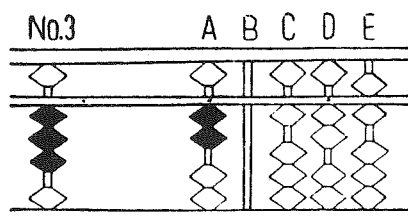
計算乘數之程序：

在C柱，以乘數3，乘被乘數最後之

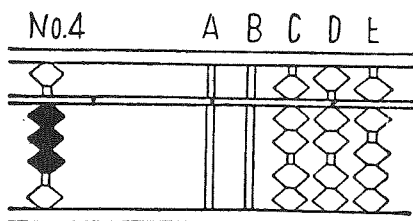
2。  $3 \times 2$  等於6，因此，在E柱止

6，又從C柱去2。請參閱圖解2。



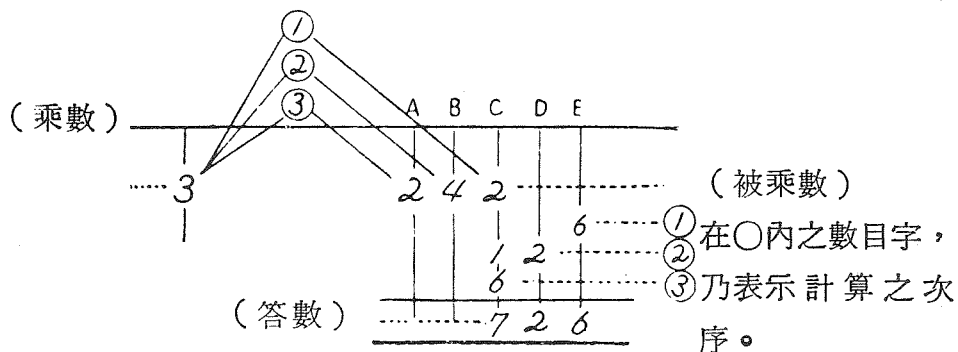


第二步，用乘數 3，乘被乘數第二字之 4。  $3 \times 4$  等於 12，因此，在 C 柱及 D 柱止 12。在 B 柱去 4。請參閱圖解 3。

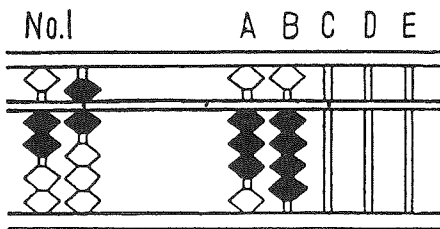


第三步，用乘數 3，乘被乘數第一字之 2。  $3 \times 2$  等於 6，因此，在 C 柱止 6 於 1。請參閱圖解 4。答數為 726，如算盤現時所示。

下列圖解，表示計算程序，在算盤所表現之各階段動態。  $242 \times 3 = 726$



例二  $34 \times 26 = 884$

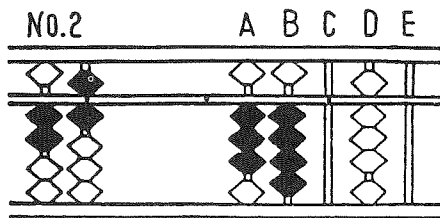


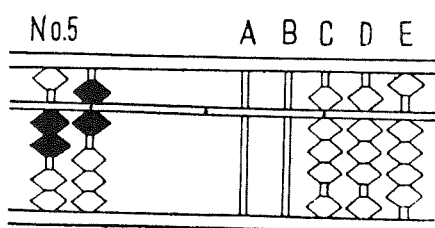
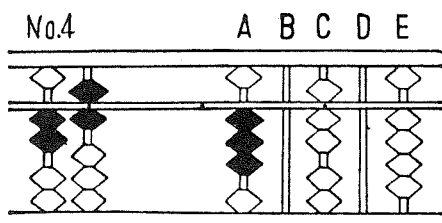
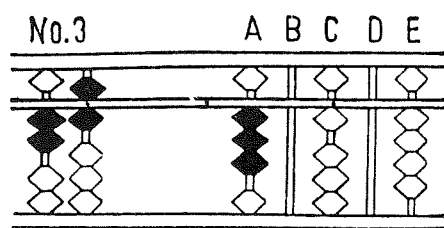
計算乘數之程序：

以乘數第一字之 2，乘被乘數

之 4 (在 C 柱)。  $2 \times 4$  等於 8，

因此，在 D 柱止 8。請參閱圖解 2。





第二步，以乘數第二字之 6，乘被乘數內之 4。  $6 \times 4$  等於 24，故此，將第一數 24 內之 2，加於 D 柱之 8，然後在 E 柱，放上第二數目字內之 4。再從 B 柱去 4。請參閱圖解第 3。

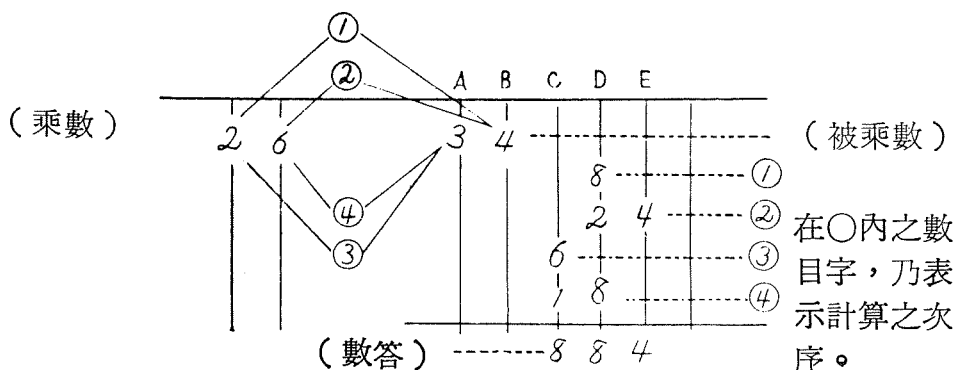
第三步，以乘數第一字之 2，乘被乘數第一字之 3，  $2 \times 3$  等於 6，故此，加 6 於 C 柱之 1。請參閱圖解 4。

最後一步，以乘數第二字之 6，乘被乘數第一字之 3，  $6 \times 3$  等於 18，故此，將 18 內第一字之 1，加於 C 柱之 7，又將 18 內第二字之 8，放於 D 柱。然後從 A 柱去 3。請參閱圖解 5。

結果。答數為 884，即如現時算盤上所示。

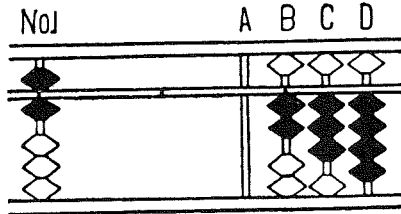
下列圖解，乃表示計算程序，在算盤所表現之各階段動態。

$$34 \times 26 = 884$$





## 第四節 除 法



用算盤計算除數，亦用乘數表

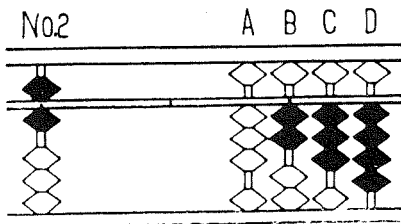
例一  $234 \div 6 = 39$

除數之程序：

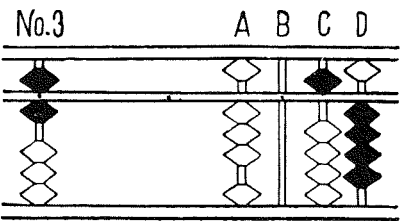
以除數 6，除被除數第一字之 2。

此乃不可能者。故此，須從 C 柱之 3 作考慮，然後以除數 6，除 23。23 內可有若干個 6 乎？  $23 \div 6$  是若干乎？

因 23 內可有三個 6，故此，在 A 柱止 3。

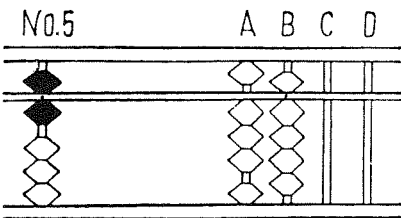
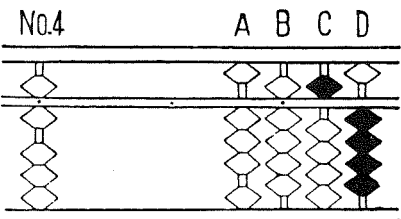


第二步：以 A 柱之商數 3，乘除數 6。  $6 \times 3$  等於 18，故此，從 B 柱減去 18 內之第一字 1，又從 C 柱減去 18 內第二字 8。請參閱圖解 3。



第三步：以除數 6，除 C 柱被除數之餘數 5。

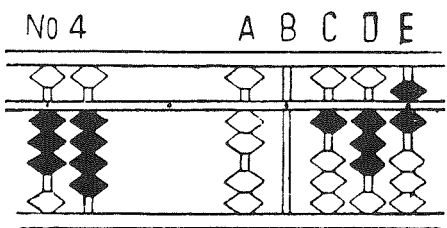
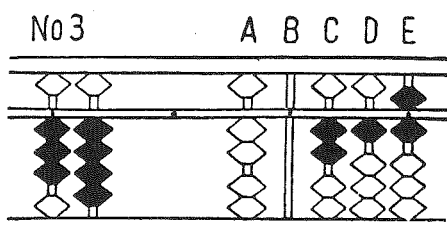
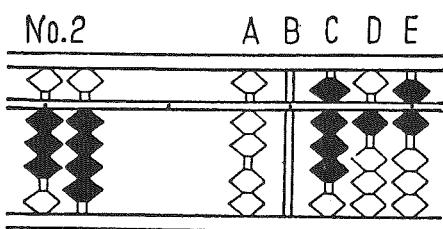
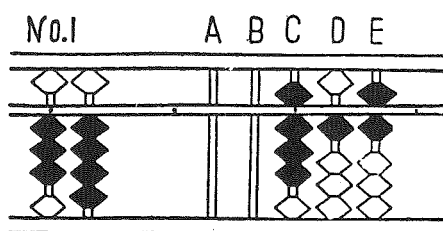
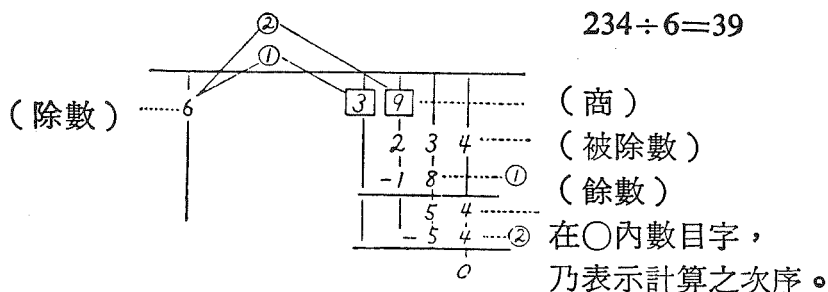
此乃不可能者。故此，須從第二個數目字，即 D 柱之 4 作考慮。然後用除數 6，除 54。54 內可有若干個 6 乎？  $54 \div 6$  是若干乎？因 54 內可有九個 6，故此，在 B 柱止 9，作為商數。請參閱圖解 4。



第四步：以第二商數 9，乘除數 6， $6 \times 9$  等於 54，故此，在 54 內之第一字，從 C 柱去 5，又在 54 內之第二字，從 D 柱去 4。請參閱圖解 5。

結果，答數為39，即如現時算盤上所示。

下列圖解，乃表示計算程序，在算盤所表現之各階段動態。



例二  $816 \div 34 = 24$

除數之程序：

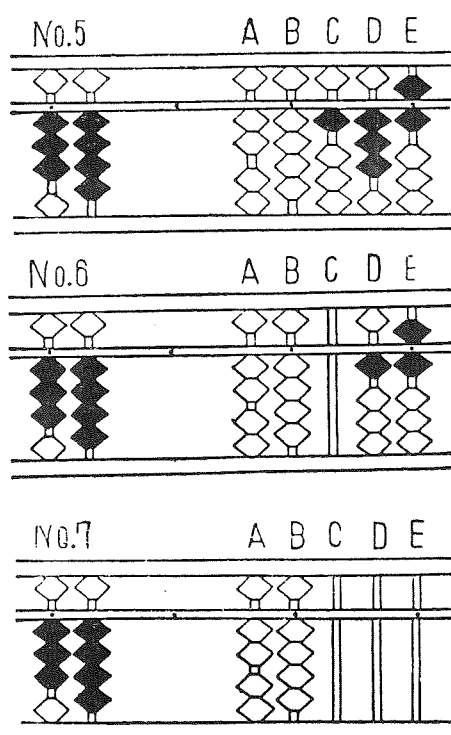
第一步：試計算此除數之數目字，共有若干字？再從被除數之第一字起，向右計算同數目之柱。然後用除數34，除81。

算出81內，有若干個34。  $8 \div 3$  是若干乎？

81內，可有兩個34；故此，在A柱止2。A柱是由被除數第一個字起，向左邊推計之第二柱。請參閱圖解2。

第二步：以2乘除數第一個字之3。2是商數之第一字，在A柱。 $2 \times 3$ 等於6，故此，從C柱去6。請參閱圖解3。

第三步：以2乘除數第二個字之4。2是第一商數。 $2 \times 4$ 等於8。故此從D柱去8。請參閱圖解4。



第四步：從被除數之餘數第一個字起，向右推算兩柱，所謂兩柱，即除數內同量之數目也。以除數除該兩柱之13，但此時除數實大於13；因此，須取鄰柱之6作考慮，然後以除數34，除136。除數之第一個字是3。算出13內有若干個3。所謂13，即被除數之第一個字及第二個字也。13÷3是若干乎？因13內，可有四個3；故此，加於4B柱，作為商數。請參閱圖解5。

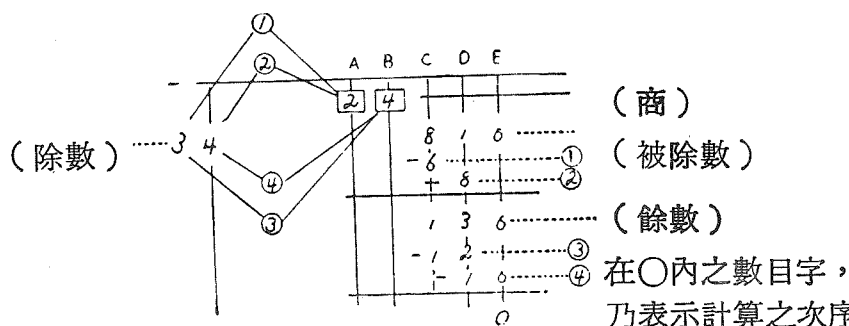
第五步：以4乘除數第一個字之3。所謂4，即B柱之第二商數也。3×4等於12，故此，從C柱12之第一字去1，又從D柱第二個字去2。請參閱圖解6。

最後一步：以4，即第二商數，乘

除數第二字之4。4×4等於16，故此，從D柱減16內之第一個字1，再從E柱減第二個字6。請參閱圖解7。

結果，答數為24，即如現時算盤上所示。

下列圖解，表示計算程序，在算盤所表現之各階段動態。816÷34=24



上述之例，乃以算盤計算除數之基本方法。依此方法，繼續練習，學者自能逐漸精通複雜之除數計算方法也。

(本文內容，除一部份外，餘均採自日本大阪 Unshudo Company 出版之“Soroban”一書。)

## THE DEVELOPMENT OF PERSONALITY

By Wong Shang-Jen

We understand that only a small portion of our psychic force is active, the rest lies dormant. Full maturity or self realisation is a process of psychic development from childhood to adulthood, from the mediocre to the very superior.

This paper is to depict the development of personality and the process in self realisation. It will help us develop our full potential and at least become better.

### I. The innocence of childhood

At the beginning of his existence a child is an unit, innocent, harmonious, integrated, undivided against himself, without fear and projection. His psychic structure is as weak as his physical, and liable to environmental influence, both of the structures need a long period of growth, care or nurture before they can function independently.

Originally, the child's mind is quiet and clear; it responds or reacts to the impact of the ever changing environment. As he develops, an incessant dichotomy between love and hate, birth and death, fear and pleasure are inescapable, and his psychic spontaneity and freedom grow less in his efforts to adapt for survival. Living is a continuous process of experiencing and adaptation; the longer the child lives, the more he knows and the deeper is the psychic hitch of the environmental influence. His mind is, therefore in a continuous process of accumulating with experience and knowledge, and his behaviour is as much influenced by the less as by the more desirable group of propensities. There is a Chinese saying, "Nearest to Tao is an infant." It refers to the freedom, the clarity and the spontaneity of the infant's mind, and his capacity to see things as they are. The protracted immaturity of the human child indicates that for many years he is weak and helpless and consequently liable to influence; his helplessness ensure his confirmity and so a condition is created in which parts of his personality are denied expression. There is no one whose psychic development proceeds wholly without a hitch, and we are all partially neurotic; all, in some degree, less than entirely ourselves.

### II. The trouble in adulthood

Our destiny is partly pre-determined and partly man-make. During the course of our lives, many things turn out as what we desire them to be, yet many others are beyond our control. The ailments in life we can cure must be cured; those we cannot cure must be endured; and God gives us wisdom to differentiate them. Therefore, we must do our best in whatever

we do and leave the result to God's disposal. Future planning is necessary, yet things beyond our control must be faced circumstantially. We must free ourselves from unwanted clinging, such as fear, anxiety, untimely ideation that block our psychic clarity, alertness and concentration for our daily tasks. A sense of detachment as such is now advocated.

All things exist as they are without name and discrimination, the psychological creation, without which, one's vision will be free and objective. Let the mind function freely and circumstantially without choice, desire or projection, and he will always be at one with himself. However, fear, hatred, anxiety, egotism, desire for possession are major activities of human mind, which, with knowledge and memory of the past, make a man lose his objectivity. Whatever he sees are not the things themselves, but his own images, impression or projection, which tend to divide the observer from the observed. As the view and understanding of the same thing by different persons are different, conflicts and divisions are inevitable.

Ideology and memory are essential for work, communication and living. The trouble is that our minds, so fully loaded and weighed down with such, have weakened their power of reasoning or validity of wisdom, like a gem hidden in earth or the moon in a cloudy night. In result, thinking and action are dominated by the propensities of the bygone past, projection, fear, anxieties, and all sorts of attachments. All these being sustained by memory, thinking about them and nourishing them give them continuity. Our minds are thus being drifted around before the environmental turbulence for want of a psychic anchorage. In these circumstances, we are somethings less than our full selves. When our minds are attentive and quiet, they are alert, and the activities of the subconscious will be weak. At night when our brains are quiet, and bodies more peaceful, the deeper layers project their content into our minds giving dreams. when we wake up, we know they were dreams, the unreal. However, when the power of the subconscious layer, the content of the past, is strong enough to break through the conscious, it projects even in the waking state, without knowing that it is unreal, thus gives rise to symptom of neurosis. If, however, our conscious minds are quiet enough to perceive in our waking state the birth and death of the activities of our subconscious without losing the orientation, we are superior, men of wisdom.

### III. The liberation and the developement

Objective love and favourable environment are important to solve emotional difficulties. Some special technique, such as meditation, or autohypnosis etc. may help to shed all the burdens of the mind. If we, in our daily lives, work while we work and rest while we rest; whatever we do is done attentive-

ly and in one mind; when the work is over, our minds are at rest without carrying on the past; our minds will then be forever clear, still and fresh to meet the challenge of the present. The important thing to do is to be alert to what is going on inside and outside of us without any choice, judgement, recording, suppressing or nourishing the rising thought or ideas in mind, but, let them go of their own accord. Then out of that alertness will gradually come quietude, a background essential for development of personality.

The mind that has shed all its burdens and let go is quiet, free and fresh. Against such a background the wisdom with indiscriminative alertness or the lock up psychic potential of the super-ego may break through, and gradually strengthen up. That alertness, that senses things clearly, without distortion, evaluation and personal bias, would be aware of disorder, contradiction, dualistic struggle, desire and compulsion etc., and free them all. Out of that alertness comes order, which is always new without any trait of the past or anxiety for future.

The tendency of emotional oscillation will then gradually weaken and a condition of homeostasis comes into being, because such sense of being at one with oneself is stronger, and the effect of the environmental change is weakened. The mind would, with a will of its own, act positively to meet all environmental challenge. When the challenge is over, all mental activities are over, leaving no conception behind, like the flying of a bird leaves no mark behind the air.

Such a mind is so clear and quiet that it tends to sense the movement of the environment wholly and totally. However, it has its response, its action, its memory and all other psychic functions, which are based on reason or conscious choice, only with the unwanted thought rooted off. Thought will then function objectively, logically, efficiently and healthily in its highest capacity. In that stage of perfect health, the mind is always in the active present, fresh, free, balanced and sane without fear, anxiety or struggle. It is only after the great death of the past and the psychological accumulation, that there comes a great life of the active present, the keen awareness of all things as they are. Then comes a state of freedom and transcendental maturity beyond inner compulsion and outer influence.

This is possible only when our wisdom is strong enough to direct the course of action and be our own masters instead of being enslaved by our internal urges or external factors.

The alertness of wisdom is able to sense not only the movement of one's outer environment, but also the rise and fall of one's inner urge, instinct, habit, thought and conception of all types before the urge etc become strong enough to drive him to action.

The common attributes of fully developed personalities are freedom, blissfulness, independence, tranquillity, wholeness, ripeness, self-mastery and unconditional compassion. Although we may think that we can recognise when a man has attained this condition of maturity, it is really only the individual himself who has the inner experience knows his own truth.

In the course of meditation, when one's mind is quiet enough, his subconscious materials often project themselves out into his consciousness in forms of sensory imagery illusion or hallucination. In case the ego-strength of his consciousness is strong enough to keep the subconscious content in check, they wane afterward; otherwise, they may cause mental disturbance. In the same quietude of his consciousness, the indiscriminative wisdom of his super-ego hitherto locked up begin to activate and force itself out into the consciousness at first for a few seconds or minutes, depending on its strength, and then wanes. When meditation continues, the liberated wisdom gradually becomes stronger and stronger, waxes again and again, each for a longer duration. Through the process of continuous assimilation and purification, it weakens the subconsciousness, changes the behavior and renders the mind to become more clear, alert, spontaneous, compassionate and self-mastery. It is a long and continuous process of maturity that is never completed. No matter what technique is employed and for how long, there is always room for further development.

The psychic structure of all perfectly developed personalities is identical; the superior, the neurotic and the psychotic are identified by reference to the degree of that development.

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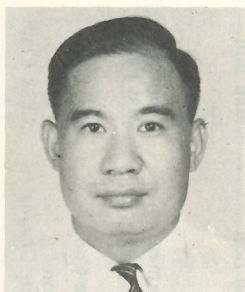
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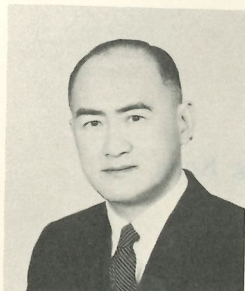
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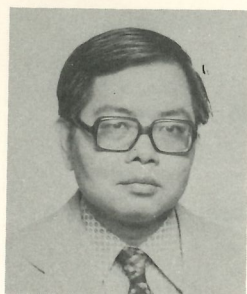




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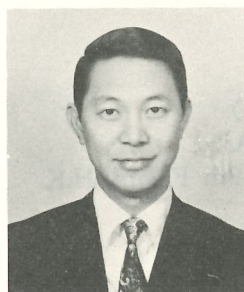
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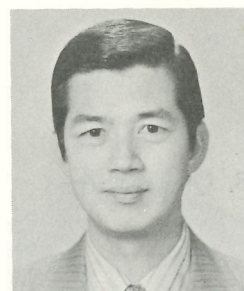
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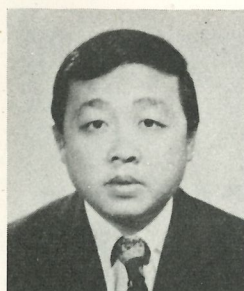


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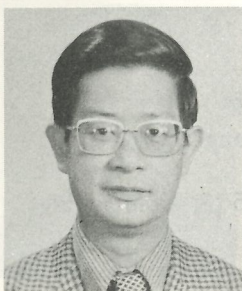
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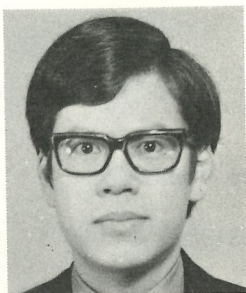


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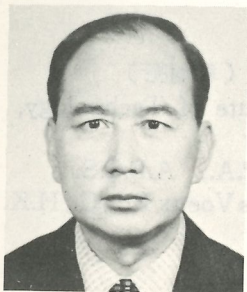


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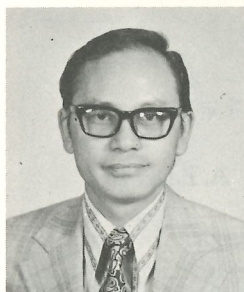
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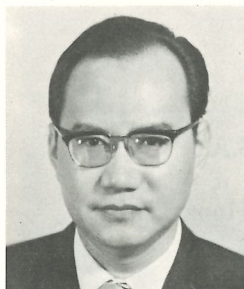
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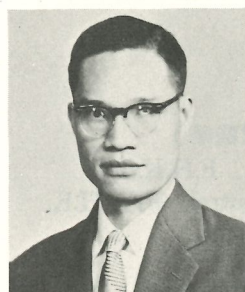




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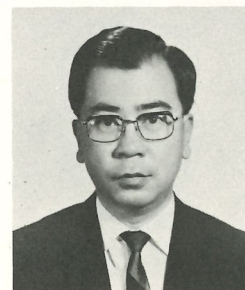
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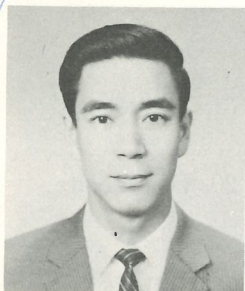


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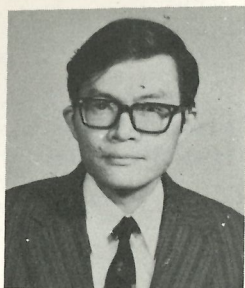
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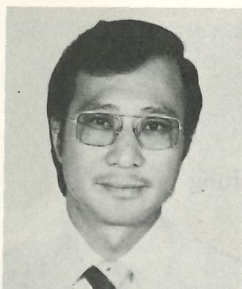
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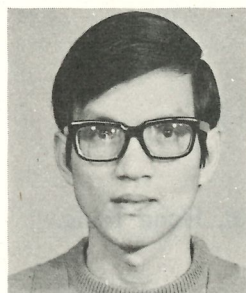
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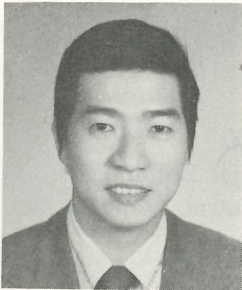


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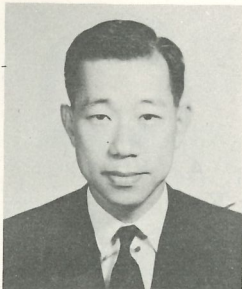


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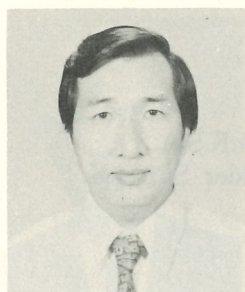


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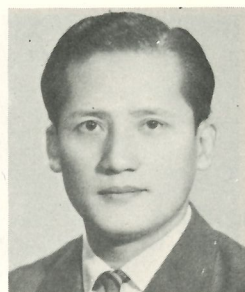


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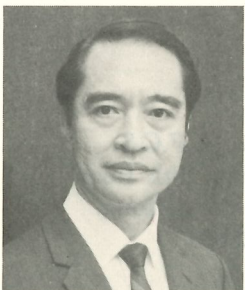


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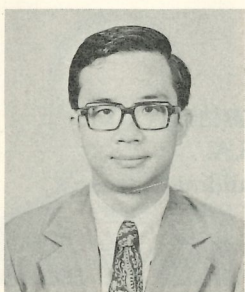




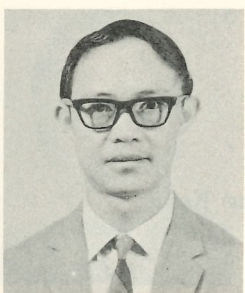
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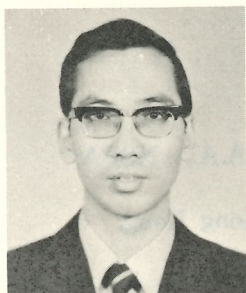
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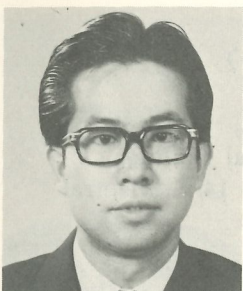
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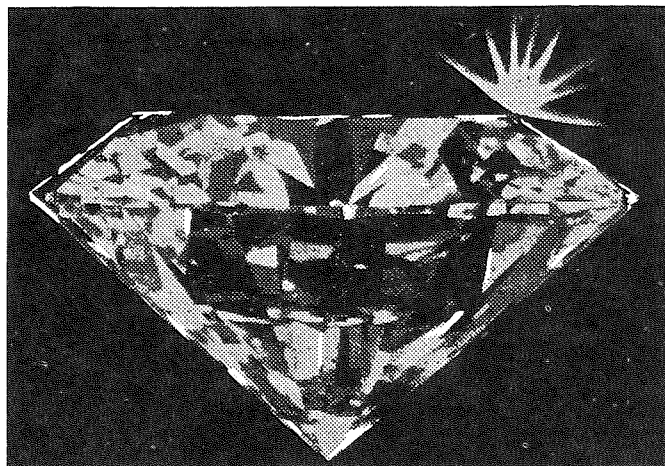
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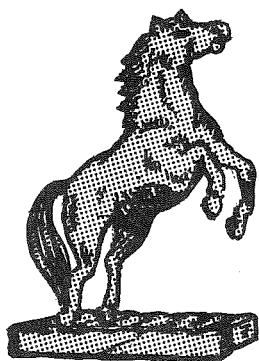
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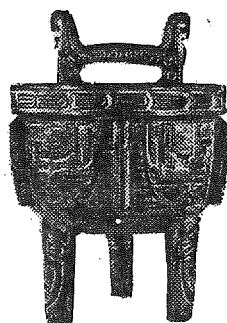
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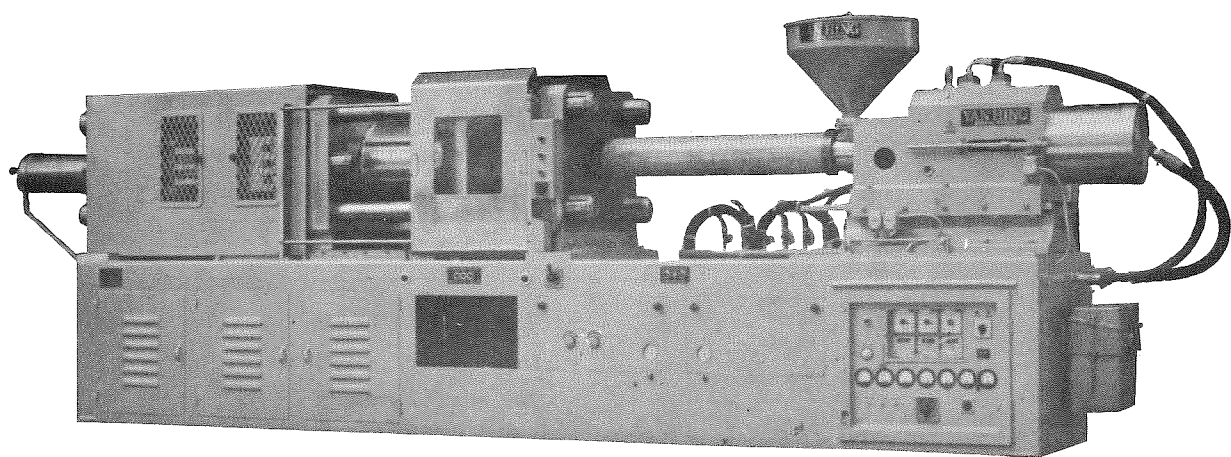
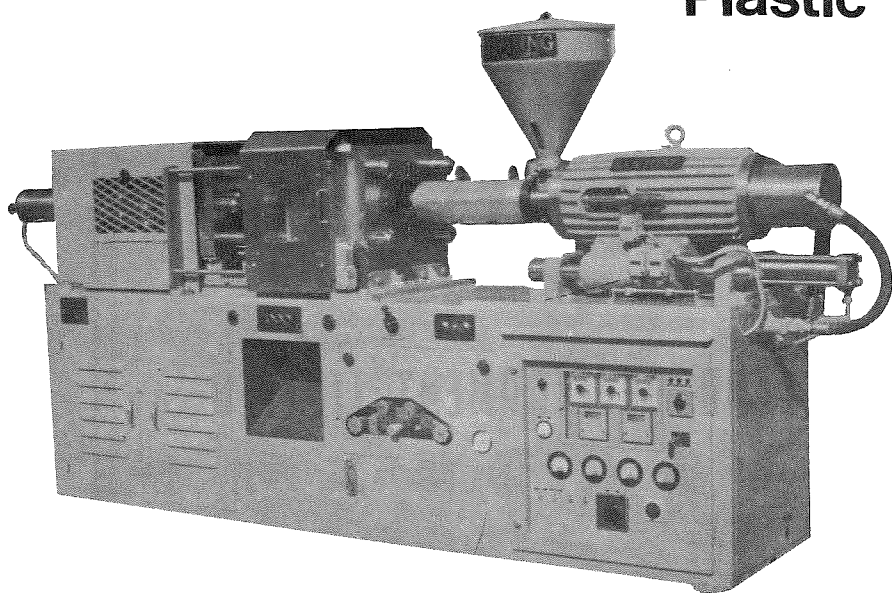
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