

June 24 | BVI - New Securities & Investment Business Legislation

The BVI Securities & Investment Business Act, 2010, ("SIBA") passed into law, effective May 17, 2010. It replaced the BVI Mutual Funds Act as the principal legislation governing the regulation of mutual funds and investment business in the BVI. - [Continue Reading](#)

June 22 | Updates on Hong Kong Comprehensive Double Taxation Agreement

Since the enactment of the Inland Revenue (Amendment) Ordinance 2010, Hong Kong has concluded several CDTAs that have adopted the latest Organization for Economic Co-operation and Development standard on the Exchange of Information:

[Ireland](#) - June 22

[United Kingdom](#) - June 21

[Austria](#) - May 25

[Hungary and Kuwait](#) - May 13

[Brunei Darussalam, the Netherlands and Indonesia](#) - March 20, 22 and 23 respectively

(Please click the country names for details)

June 22 | Hong Kong Issues Guidelines on the Exchange of Tax Information

On June 9, 2010, the Inland Revenue Department ("the Department") published its Departmental Interpretation and Practice Note No 47 "Exchange of Information under Comprehensive Double Taxation Agreements". Although, as I have previously noted, the Department does not feel bound by its own Practice Notes, they nonetheless provide genuine guidance as to the normal Departmental practice. - [Continue Reading Roddy's Opinions](#)

June 9 | Offshore Manufacturing - The Saga Continues - C.I.R v CG Lighting Limited

Fok J's decision in the case of the Commissioner of Inland Revenue v CG Lighting Limited, heard before the Court of First Instance (Inland Revenue Appeal NO.8 of 2009 on Appeal from B/R 92 of 2007), provides an interesting insight into the attitude of the Inland Revenue Department ("the Department") and the lower courts of Hong Kong as to what constitutes an offshore source of profit for the purposes of Hong Kong profits tax. - [Continue Reading Roddy's Opinions](#)

May 18 | Offshore Manufacturing Profits - The Commissioner smiles, but for how long?

The Hon Fok J upheld the appeal by the Commissioner of Inland Revenue ("the Commissioner") to the Court of First Instance in the case of Commissioner of Inland Revenue v CG Lighting Limited (HCIA8/2009).

I suspect that Mr Yu, SC, leading counsel for the Commissioner, was as surprised as anyone to have succeeded at the Court of First Instance, particularly as The Hon Fok J did not find for the Commissioner on its principal submission, i.e. that because the taxpayer had acquired products from its subsidiary by way of a purchase and sale agreement, as opposed to a process manufacturing agreement, the Board of Review should have focused only on the sale of goods in determining the geographical location of the Taxpayer's profit-producing transactions. Instead, The Hon Fok J agreed with Mr Yu's subsidiary submission that the Taxpayer's involvement with the manufacturing process, conducted by the Taxpayer's subsidiary (CGES), was antecedent or incidental to the source of the Taxpayer's profits. - [Continue Reading Roddy's Opinions](#)

May 17 | Legislative Council Responds to Questions on Taxation

On May 5, Professor Chan advised that revenue collections by the Inland Revenue Department from Salaries Tax and Profits Tax were estimated to be \$179.1 billion, 6% less than for 2008-2009. The total amount of Salaries Tax paid by the top 10 salary taxpayers was estimated at \$367 million, a decrease of \$92 million as compared to the previous year. As for Profits Tax, the top 10 taxpayers paid \$11.07 billion, which was \$8.63 billion less than in 2008-2009. Interestingly, had the top 10 corporate taxpayers, who accounted for 6.2% of the direct tax collected in 2009-2010, maintained their 2008-2009 level of assessable profits, the fall in revenue would have been only around 1.5%. If my arithmetic is correct, the contribution by the top 10 corporate taxpayers for 2009-2010 is likely to fall from approximately 10% to 6.2% of the direct tax collected. - [Continue Reading Roddy's Opinions](#)

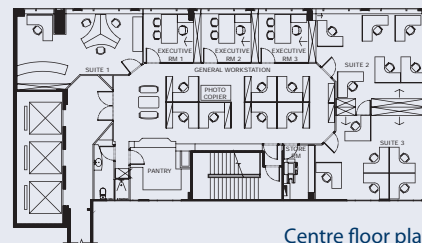
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Contact Us

If you have any comments or queries regarding either the information supplied or the services of AFP Group, please do not hesitate to contact us using the following details:

Main Office

28th Floor, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

Tel: +852 3188 1143

Email: info@afpglobal.com