



稅務局

香港灣仔告士打道5號
稅務大樓

INLAND REVENUE DEPARTMENT

REVENUE TOWER,
5 GLOUCESTER ROAD, WAN CHAI,
HONG KONG.

網址 Web site: www.ird.gov.hk

來函編號:

Your Ref.:

來函請敘明本局檔案號碼

IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

檔案號碼: 91/01496
File No.:

Helping Hand
1st Floor
12 Borrett Road
Mid Levels Hong Kong

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發出日期: 15 SEP 2017
Date of Issue:

Dear Sirs,

Review of Charitable Institutions & Trusts

Thank you for the return of the completed questionnaire and the subsequent correspondence.

After examination of the information furnished therein, I am satisfied that HELPING HAND is still a charitable institution or trust of a public character within the meaning of section 88 of the Inland Revenue Ordinance ("the Ordinance"). The exemption from all taxes under the Inland Revenue Ordinance, notified in our letter of 4 May 1978, will continue.

In order to ascertain the effect on your organisation's exemption status, please notify the Department if there is any alteration to the governing instrument of your organisation within one month of the date of change. Besides, to assist in updating your organisation's record, please inform the Department whenever your organisation's operation is ceased; your organisation's name or address is changed; a new subsidiary body is formed; or an existing subsidiary body is closed.

A practical guide on good governance and internal control entitled "Best Practice Checklist - Management of Charities and Fund-Raising Activities" compiled by the Independent Commission Against Corruption is available on its website http://www.icac.org.hk/filemanager/en/Content_1031/fund_raising.pdf.

Lastly, your attention is drawn to the proviso to section 88 of the Ordinance which provides that for the purpose of Profits Tax, if a charitable institution or trust of a public character carries on a trade or business, the profits from such trade or business are exempt from tax **only if**:-

- (a) the profits are applied solely for charitable purposes; and
- (b) the profits are not expended substantially outside Hong Kong; and
- (c) either

- (i) the trade or business is exercised in the course of the actual carrying out of the expressed objects of the institution or trust; or
- (ii) the work in connection with the trade or business is mainly carried on by persons for whose benefit such institution or trust is established.

It should be noted that the dealing in assets (e.g. landed properties, securities, etc.) is by itself an adventure in the nature of trade. Unless such trading activities are carried out in the course of the actual carrying out of the expressed objects of a charitable institution or trust of a public character and provided that all other conditions in the proviso to section 88 of the Ordinance are satisfied, any profits derived therefrom by a charitable institution or trust of a public character should be subject to Profits Tax.

A charitable institution or trust of a public character is subject to Profits Tax in respect of the profits derived from a trade or business unless the proviso to section 88 of the Ordinance is applicable to that trade or business. Pursuant to section 51(2) of the Ordinance, any person (including a charitable institution or trust of a public character) chargeable to tax for a year of assessment is required to inform the Department in writing that he is so chargeable not later than 4 months after the end of the basis period for that year of assessment unless he has already been required to furnish a tax return.

Yours faithfully,



(LEUNG Kin-man)
Assessor
Charitable Donations Section

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