



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](http://www.ird.gov.hk)

來函請寄「香港郵政總局信箱132號稅務局局長收」  
ALL CORRESPONDENCE SHOULD BE ADDRESSED TO-  
COMMISSIONER OF INLAND REVENUE  
G.P.O. BOX 132, HONG KONG.

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: 91/13388

File No.:

CareER Association Limited  
PO Box No. 90232  
Tsim Sha Tsui Post Office

電話:

Tel. No: 2594 5300

傳真:

Fax No.: 2180 7446

電郵:

E-mail: [taxinfo@ird.gov.hk](mailto:taxinfo@ird.gov.hk)

發出日期:

09 OCT 2018

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 CAREER ASSOCIATION LIMITED 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 25 November 2014, 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.

Regarding your organisation's proposed substitution of its Memorandum and Articles of Association ("M&A") with the draft revised Articles of Association attached with the letter dated 31 July 2018 of NRK Limited ("the Representative"), a letter was sent on 09 OCT 2018 to the Representative. It is now pending the reply from the Representative for consideration of the proposed amendments to the M&A of your organisation.

### **Trade or Business**

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.

### **Management of Charities and Fund-raising Activities**

The Social Welfare Department, the Home Affairs Department, the Food and Environmental Hygiene Department and the Independent Commission Against Corruption have issued guidance on the best practices for charitable fund-raising activities. Please refer to the following links for information:

- "Good Practice Guide on Charitable Fund-raising" by the Social Welfare Department, Home Affairs Department, and Food and Environmental Hygiene Department  
<https://www.gov.hk/en/theme/fundraising/guide/>
- "Best Practice Checklist - Management of Charities and Fund-raising Activities" by the Independent Commission Against Corruption  
[http://www.icac.org.hk/filemanager/en/content\\_218/fund\\_raising.pdf](http://www.icac.org.hk/filemanager/en/content_218/fund_raising.pdf)

For enquiries, please contact the relevant departments.

Yours faithfully,



(Ms CHAN Wan-ye)

Ag. Assessor

Charitable Donations Section

C.D.5 (8/2018)