

Shenzhen, China

Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen
T: +86 755 8268 4480

Shanghai, China

Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road
Xuhui District, Shanghai
T: +86 21 6439 4114

Beijing, China

Room 303, 3/F.
Interchina Commercial Bldg.
33 Dengshikou Street
Dongcheng District, Beijing
T: +86 10 6210 1890

Taipei, Taiwan

Room 303, 3/F.
142 Section 4
Chung Hsiao East Road
Daan District, Taipei
T: +886 2 2711 1324

Singapore

138 Cecil Street
#13-02 Cecil Court
Singapore 069538
T: +65 6438 0116

New York, USA

202 Canal Street
Suite 303, 3/F.
New York
NY 10013, USA
T: +1 646 850 5888

Hong Kong Company Maintenance and Compliance Guide (8) Filing of Profits Tax Return

1. Filing of Profits Tax Return and Supporting Documents

A corporation carrying on a business in Hong Kong has to file a Profits Tax Return (tax return Form BIR51) for every year of assessment. The tax return must be supported by the following (except small corporation):

- (1) a certified copy of detailed Statement of Financial Position/Balance Sheet and Statement of Comprehensive Income/Profits and Loss Account;
- (2) a certified copy of Auditor's Report;
- (3) a tax computation showing how the Assessable Profits are computed from the accounting profits;
- (4) schedules of the following items (where applicable):
 - capital expenditure incurred, capital assets sold, depreciation charged in the accounts and assets not in use at the end of the basis period;
 - details of expenditure incurred on, and disposal proceeds of, scientific research;
 - details of expenditure incurred on refurbishment of buildings --- the location and the usage of building during the year;
 - details of expenditure incurred on, and disposal proceeds of, environmental protection machinery, environment-friendly vehicles and environmental protection installation;
 - details of reserves and provisions, showing transfers to and from the related accounts;
 - details of any service / management fee received including name and address of each payer;
 - details of interest paid or payable, including name and address of the lender, relationship with your side, any security to the lender, and the usage of the loan;
 - details of income and expenses claimed to be with a non-Hong Kong source;
 - details showing the name and address of payments involving contractor / sub-contractor fees, management fees, commission, legal and other professional fees, and hiring charges for the use or right to use movable property in Hong Kong;
 - details of bad debt provisions and write-offs;
 - details of change in method of valuation of stock;
 - details of rent payments including name and address of the landlord, the property location, the total rent paid and the period covered;
 - details of extraordinary gains and losses;

- details of cessation of business, including written agreement for letting or sale of the business, sums received or paid after cessation, name(s) of the person now occupying that premises;
- a computation of deemed assessable profits with the name and address of non-resident person, special purpose vehicle and fund and special purpose entity;
- details of stock option or stock award obligations;
- details of deduction claimed for approved charitable donations showing full name of charitable institution and the respective amount;
- for an open-ended fund company with sub-funds structure, a computation of the Assessable Profits or Adjusted Loss of each sub-fund.

With effect from 1 April 2019, 10 supplementary forms to Profits Tax Returns (BIRS1 to BIRS10) are introduced for corporations to report information on preferential regimes and tax incentives. Below are the supplementary forms (if applicable):

- Supplementary Form S1 – Person electing for two-tiered profits tax rates
- Supplementary Form S2 – Transfer pricing
- Supplementary Form S3 – Expenditure on research & development
- Supplementary Form S4 – Expenditure on energy efficient building installation
- Supplementary Form S5 – Ship-owner
- Supplementary Form S6 – Professional reinsurer
- Supplementary Form S7 – Authorized captive insurer
- Supplementary Form S8 – Qualifying corporate treasury centre
- Supplementary Form S9 – Qualifying aircraft lessor
- Supplementary Form S10 – Qualifying aircraft leasing manager

Note: The Hong Kong Inland Revenue Ordinance does not require the corporation's accounts to be audited. Rather, it is the Hong Kong Companies Ordinance that makes the requirement. So, if the corporation is registered in a country without audit requirement, the Hong Kong Inland Revenue Department ("IRD") may accept unaudited accounts providing they are certified by the directors. Besides, a Hong Kong limited company may be exempt from audit under the Hong Kong Companies Ordinance --- for example it is a dormant company. In that case, the IRD will also accept unaudited accounts.

2. Deadline for Filing of Profits Tax Return

There are two types of issue of profits tax returns: (a) the odd issue and (b) the bulk issue.

The odd issue of tax returns is on a case by case basis throughout the year of assessment at the discretion of the assessing officer. The time limit to file a tax return is usually set at one month from the date of issue except the urgent cases.

The bulk issue of 2019/20 Profits Tax returns will take place on 4 May 2020. In general, the tax returns are required to be filed within one month from the date of issue. However, below extended due dates will be available for taxpayers who are represented by a Tax Representative:

Category	Accounting date	Deadline for submission
M	The accounting date between 1 January 2020 and 31 March 2020	16 November 2020
D	The accounting date between 1 December 2019 and 31 December 2019	17 August 2020
N	All other cases.	30 June 2020

The above extended due dates apply to the year of assessment 2019/20 only. Unrepresented taxpayers will need to apply for the extension upon written request. The exact dates and details of the extension may differ slightly from year to year and they are published on the IRD's website. Although in general no further extension will be granted beyond the afore-mentioned extended deadlines, the assessor may grant extension in some exceptional circumstances.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

Email: info@kaizencpa.com, enquiries@kaizencpa.com

Tel: +852 2341 1444

Mobile : +852 5616 4140, +86 152 1943 4614

WhatsApp/ Line/ Wechat: +852 5616 4140

Skype: kaizencpa

SERVICES SCOPE

Company Registration	Merger & Acquisition	Tax Planning
Bank Account Opening	Payroll & Human Resources	Book-keeping & Accounting
Audit & Assurance	Tax Filing	Trademark Registration
Intellectual Property	Immigrant visa	Leasing Services