



IMPORTANT NOTICE PLEASE READ CAREFULLY

Dear Sir / Madam,

PROFITS TAX RETURN FOR THE YEAR OF ASSESSMENT 2022/23

2022/23 Profits Tax Returns has been issued to taxpayers on 3 April 2023 and 4 April 2023 respectively. After receipt of the Tax Return, please send it to our firm so that we can apply for extension in filing the said Return on your behalf.

(A) The compliance dates specified on 2022/23 Profits Tax Returns will be extended as follows:-

- (i) Accounts closed between 01/04/2022 & 30/11/2022 – no extension allowed, should be submitted on or before 3 May 2023 (For Active cases) or 4 May 2023 (For Inactive cases);
- (ii) Accounts closed between 01/12/2022 & 31/12/2022 – extended to 15 August 2023; and
- (iii) Accounts closed between 01/01/2023 & 31/03/2023 – extended to 15 November 2023.

Failure to lodge a Profits Tax Return when required to do so is a serious offence. The Inland Revenue Department (“IRD”) will treat late filing seriously, including the issue of estimated assessments, penalties or prosecution. These proceedings will carry out by computer procedures once the extended dates fall due.

(B) Therefore, you should deliver all annual accounts, books of accounts, vouchers, related documents, etc. to us for our audit now or as soon as possible, but in no case later than the dates hereunder (special arrangement need to be sought with our firm for more than one basis period): -

- (i) Accounts closed between 01/04/2022 & 30/11/2022 – **before** 13 April 2023;
- (ii) Accounts closed between 01/12/2022 & 31/12/2022 – **before** 7 July 2023; and
- (iii) Accounts closed between 01/01/2023 & 31/03/2023 – **before** 3 October 2023.

We are unable to undertake that we can complete the audit and file the related Tax Return in time should you not deliver the complete set of books of accounts for our audit on or before the above dates. We shall also not be responsible for any consequences so caused.

(C) If you close your accounts on the category (A)(iii) as mentioned above in the year of assessment 2022/23 and you have sustained a tax loss in this year, the IRD allows further extension in submitting your Tax Return until 31 January 2024. In such case, please inform us immediately with relevant financial records, so that we can apply for a further extension on your behalf.

(D) IRD has enhanced eTax on 1 April 2023 by implementation of voluntary e-filing of Profits Tax returns alongside with new e-services and e-filing modes through paper, electronic or semi-electronic mode. By encouragement of e-file of profits tax returns for the year of assessment 2022/23, upload the completed Required Forms in XML format and the supporting documents prepared in Inline eXtensible Business Reporting Language (“iXBRL”) format, e-sign and submit the return through the eTAX after signing of Form IR1476 “Confirmation for Engagement of Service Provider to Furnish Return”, one-month additional extension for lodging profits tax return will be granted. The extended due dates are as follows: -

- (i) Accounts closed between 01/04/2022 & 30/11/2022 – 2 June 2023;
- (ii) Accounts closed between 01/12/2022 & 31/12/2022 – 14 September 2023;
- (iii) Accounts closed between 01/01/2023 & 31/03/2023 – 15 December 2023; and
- (iv) Accounts closed between 01/01/2023 & 31/03/2023 with loss sustained during same year - 31 January 2023 (Same as paper returning)

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吳錦華會計師事務所

WEBSTER NG & CO.

Chartered Accountants

Certified Public Accountants (Practising)



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- (E) The first set of profits tax return will generally be issued after 18 months from the date of incorporation of the company. If you are in the situation of such, please forward us the tax return upon receipt for action. IRD usually reject the extension application of 3 months' submission deadline for first set of profits tax return.
- (F) For sole proprietorship businesses, the IRD will not issue a traditional Profits Tax Return as in the past year. The IRD will issue a Form called "Tax Return – Individuals" which requires you to report all sources of income from businesses, employment and properties. This Tax Return – Individuals will be issued on 2 May 2023 and will be due for filing on 3 October 2023. However, partnership businesses and jointly owned properties would not be affected. The IRD still issues Profits Tax Returns to partnership businesses and Property Tax Returns to owners of properties which are jointly owned by individuals.
- (G) It is the IRD's general policy that all block extension requests be approved unless advice to the contrary and no acknowledgement of receipt of the requests or notifications of approval will be issued.

The IRD takes more and more severe measures to see compliance. You are urged to pay special attention to the above points.

Following the enactment of Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions)(Amendment) Ordinance (Cap. 615) on 1 April 2023 and relevant guidelines issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") to all Practising unit for the compliance of the Ordinance (refer to http://www.hkicpa.org.hk/file/media/section5_membership/Professional%20Representation/aml/HKICPA_AML_Enforceable_GLs_Feb2018_20180228.pdf). In this regard, client may request to furnish precise information in order to comply with the requirement as stipulated by new Ordinance. Due care should be aware on the potential impact.

Furthermore, as a result of proposal announced by the budget of HKSAR and latest updates on international tax landscape, IRD modified 2022/23 Profits Tax Return and introduced 18 Supplementary Forms (Forms S1 to S18), which can be referred to <https://www.ird.gov.hk/eng/tax/taxrep.htm>. Client should be aware of that additional information may be required during the tax reporting.

We offer services which helps our clients to up-keep books and accounts and handling accountancy work. Should you require assistance from us to update your books or to organize your accounting records, please visit our website at <http://www.websterngco.com> or contact us at your convenience time.

Yours truly,



Webster Ng & Co.
6 April 2023

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