

# Hong Kong Tax Filing Deadlines 2007/08

Issue 20 – February 2008

## Tax notes

The Commissioner of Inland Revenue has the power to impose penalties on Hong Kong taxpayers who are late in filing their Hong Kong tax returns. The Commissioner will continue to use her powers to impose penalties under Section 82A of the Inland Revenue Ordinance (IRO) to enforce timely filing of tax returns for the Year of Assessment 2007/08.

The Year of Assessment 2007/08 will end on 31 March 2008. The Hong Kong tax filing season will commence on 1 April 2008 with the bulk issue of Profits Tax Returns and Employer's Returns. This will be followed on 2 May 2008 by a bulk issue of Individual Tax Returns.

Tax returns normally have to be submitted within one month of the date of issue but the Commissioner has continued her practice of granting extensions of filing dates for certain categories of taxpayers.

### **The important filing dates for 2007/08 are set out overleaf.**

In the case of companies a valid Profits Tax Return must be accompanied by **signed audited accounts** for the relevant basis period unless the company is a "small company", as defined, or the Inland Revenue Department (IRD) will reject the Return.

Although small companies are not required to file their audited accounts,

those accounts will be the basis for the Profits Tax Return. All companies should therefore ensure that their accounts are audited within sufficient time to allow their Profits Tax Return to be submitted to the IRD by the relevant filing date.

Where a taxpayer is late in filing the relevant tax return, the Commissioner may issue an estimated assessment and/or impose penalties.

The maximum penalties under Section 82A IRO can be 300% of the tax due. In practice, penalties for late submission of a tax return are normally charged in the range of 10% to 50% of the tax undercharged.

Taxpayers should therefore take all possible steps to meet the relevant tax filing deadline particularly if they have been late in filing in previous years. **Taxpayers with a history of late filing are particularly at risk** and will face penalty action if they are late in filing their 2007/08 tax returns.

# Filing deadlines

- 2 May 2008**
- **Salaries Tax**  
The filing deadline for Employer's Annual Returns of Remuneration and Pensions for the year ended 31 March 2008.
  - **Profits Tax – Group N**  
The filing deadline for Profits Tax Returns with supporting computation and audited accounts for all companies whose fiscal year end is between 1 April 2007 and 30 November 2007 (Group N companies).  
This deadline also applies to Group N partnerships but not sole proprietors (see below).
- 2 June 2008**
- **Individual Tax Returns**  
The filing deadline for individuals who do not have a tax representative and who do not operate a sole proprietorship (see below).
- 30 June 2008**
- **Individual Tax Returns**  
The extended filing deadline for individuals who are currently using Grant Thornton to prepare their returns and who do not operate a sole proprietorship business (see below).
- 31 July 2008**
- **Individual Tax Returns**  
The extended filing deadline for individuals who operate a sole proprietorship but do not have an authorised tax representative.
- 15 August 2008**
- **Profits Tax Returns – Group D**  
The extended filing deadline for Profits Tax Returns with supporting computation and audited accounts for companies with fiscal years which end in the month of December 2007 who use Grant Thornton to submit their Profits Tax Returns (Group D companies).  
This also applies to Group D partnerships but not sole proprietors (see below).
- 30 September 2008**
- **Individual Tax Returns**  
The extended filing deadline for individuals who operate a sole proprietorship and who use the tax services of Grant Thornton.
- 15 November 2008**
- **Profits Tax Returns – Group M**  
The extended filing deadline for Profits Tax Returns with supporting computation and audited accounts for companies with fiscal years which end during the period 1 January 2008 to 31 March 2008 who use Grant Thornton to submit their Profits Tax Returns. (Group M companies).  
This also applies to Group M partnerships but not sole proprietors (see above).
- 13 February 2009**
- **Profits Tax Returns – Group M Loss Cases**  
The extended deadline for Profits Tax Returns where a Group M taxpayer has a tax loss for 2007/08 and an application is made for this extension by 31 October 2008.

**All other Returns have to be submitted within one month of issue** (or such shorter period as may be indicated on the Return.) The above deadlines will not apply to our clients for whom we have obtained an exemption from filing Profits Tax Returns on an annual basis.

## About Tax notes

Tax notes are issued in summary form exclusively for the information of clients and staff of Grant Thornton and should not be used or relied upon as a substitute for detailed advice. Accordingly Grant Thornton accepts no responsibility for any loss that occurs to any party who acts on the information contained herein without further consultation with ourselves.

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