



Lee & Yu Certified Public Accountants

李志輝 · 余仲良 會計師事務所

In association with | CAC CPA LIMITED | 中审华会计师事务所



Lee & Yu
International

Businessman convicted of omitting company turnover and property rental income



Newsletter
OCT 2022

A businessman was convicted today (October 7) at the District Court of evading tax. Sentencing was adjourned to October 21. The defendant was remanded in custody.

The defendant, aged 61, was charged with 15 counts of evading tax, wilfully with intent, by omitting turnover of his sole-proprietorship business from his tax returns for the years of assessment 2002-03 to 2013-14 and rental income of his parking space from his tax returns for the years of assessment 2011-12 to 2013-14, contrary to section 82(1)(a) of the Inland Revenue Ordinance (IRO) (Cap. 112). The defendant pleaded not guilty to the relevant charges. After trial, he was convicted today on all of the 15 tax evasion charges.

The court heard that the defendant was the proprietor of a company (the Company). The Company and a publisher collaborated on the publication of a watch magazine whereby the Company was responsible for soliciting clients for advertisements and was entitled to 40 per cent of the total advertising revenue. An investigation by the Inland Revenue Department (IRD) revealed that during the period from August 2002 to March 2014, a total of 53 issues of the watch magazine were published from which the Company was entitled to advertising revenue of \$11,363,268. The defendant only reported a total turnover of \$4,936,442 for the Company in his tax returns for the years of assessment 2002-03 to 2013-14. The total amount of turnover omitted was \$6,426,823 and the tax evaded was \$819,437.

In addition, the defendant declared in his tax returns for the years of assessment 2011-12 to 2013-14 that he did not have any solely owned properties which were let during the years. The IRD later found that the defendant let his solely owned parking space during the three years of assessment. The total amount of rental income omitted was \$40,167 and the tax evaded was \$3,344.

(Source : Information Services Department)



Lee & Yu Certified Public Accountants

李志輝 · 余仲良 會計師事務所

In association with | CAC CPA LIMITED | 中审华会计师事务所



Lee & Yu
International



客戶通訊 Newsletter

Translation and Certification of Documents



Sections 4 and 775 of the Companies Ordinance (Cap. 622) (“CO”) set out respectively the requirements for translating documents for the purposes of the CO and for certifying documents for the purposes of Part 16 of the CO. Persons who can certify the competence of a translator and certify documents include notaries public, practising lawyers, professional accountants and professional company secretaries. This circular seeks to clarify the definition of “professional accountants” and “professional company secretaries” referred to in the two provisions.

Professional Accountants

An accountant in Hong Kong who certifies the competence of a person making a translation of documents and who certifies documents as referred to in sections 4(3)(c) and 775(2)(b)(iii) respectively of the CO must be a certified public accountant (practising) within the meaning of section 2 of the Accounting and Financial Reporting Council Ordinance (Cap. 588) as amended by the FRC Amendment Ordinance.

Professional Company Secretaries

The reference to “a professional company secretary practising in Hong Kong” as referred to in sections 4(3)(e) and 775(2)(b)(vi) of the CO means a member of The Hong Kong Chartered Governance Institute (“HKCGI”) holding the professional designations of FCG* / HKFCG* or ACG* / HKACG*, and optionally in combination with the professional qualifications of CS* / CGP*.