

Immediate Release

### **HKVCA Welcomes Passage of Inland Revenue (Amendment) Bill 2015**

**Hong Kong, 17 July 2015** - Hong Kong Venture Capital and Private Equity Association (“HKVCA”) welcomed the passage of Inland Revenue (Amendment) Bill 2015 by the Legislative Council of Hong Kong on 13 July 2015. The Inland Revenue (Amendment) (No.2) Ordinance 2015 was published in the Gazette by Hong Kong Government today.

The bill amends the Inland Revenue Ordinance (Cap. 112) by extending profits tax exemption for offshore funds to private equity funds. The amendment defines clearly the transactions conducted by offshore private equity funds in respect of eligible overseas portfolio companies.

John Levack, the Chairman of HKVCA Technical Committee, commented, “HKVCA is delighted the passage of this Amendment as a positive step to enhance the attractiveness of Hong Kong as a Private Equity hub for new arriving PE firms and as a way of deepening the engagement for firms already operating in Hong Kong and simplifying their operating structure.”

Private Equity is one of the significant businesses in financial ecosystem. At end-2014, Hong Kong private equity firms advised on over US\$110 billion capital, and capital raising is growing at a 3 year CAGR of 26%. Extending the profits tax exemption encourages private equity firms to upgrade their “Advisory” activities to “Manager” activities, driving to further develop asset management industry and increasing the demand for other relevant professional services in Hong Kong.

Shall you have any media inquiries, please don’t hesitate to contact us.

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### **About the Hong Kong Venture Capital and Private Equity Association (HKVCA)**

HKVCA represents over 300 corporate members. Members include 160 private equity firms, managing US\$1 trillion assets globally, across all types – including 7 of world’s Top 10 largest PE firms as well as small VC investors. These firms are engaged in venture capital and private equity investments in the Asia-Pacific region at all levels – from venture, growth, buyout, secondary, pension, fund of funds and family offices.

For more information about the HKVCA, please visit: [www.hkvca.com.hk](http://www.hkvca.com.hk)