

# What's New?

Issue No. 66/2020 | 19 November 2020



Finance Bill 2020 - Amendment of section 44(5B)(a) & (5C)(a) of ITA 1967: Substantial change in shareholding





# 股权发生 重大变化

Substantial change  
in shareholding

2020 財政法案 –  
1967年所得稅法令

Finance Bill 2020

# Substantial change in shareholding

[Income Tax Act 1967]



the shareholders of the company at any date shall be substantially the same as the shareholders at any other date if on both those dates—

44(5B)(a)

- (i) more than fifty per cent of the paid-up capital in respect of the ordinary share of the company is held by or on behalf of the same persons; and
- (ii) more than fifty per cent of the ~~nominal~~ value of the allotted shares in respect of ordinary share in the company is held by or on behalf of the same persons; and

[This amendment is consistent with the provisions of the Companies Act 2016]

This amendment comes into operation on 1 January 2021.

# Substantial change in shareholding

## [Income Tax Act 1967]



44(5C)(a)

In subsection (5B), “ordinary share” means any share other than a share which carries only a right to any dividend which is of —

- a) a fixed amount or at a fixed rate per cent of the ~~nominal~~ value of the shares; or
- b) a fixed rate per cent of the profits of the company

[This amendment is consistent with the provisions of the Companies Act 2016]

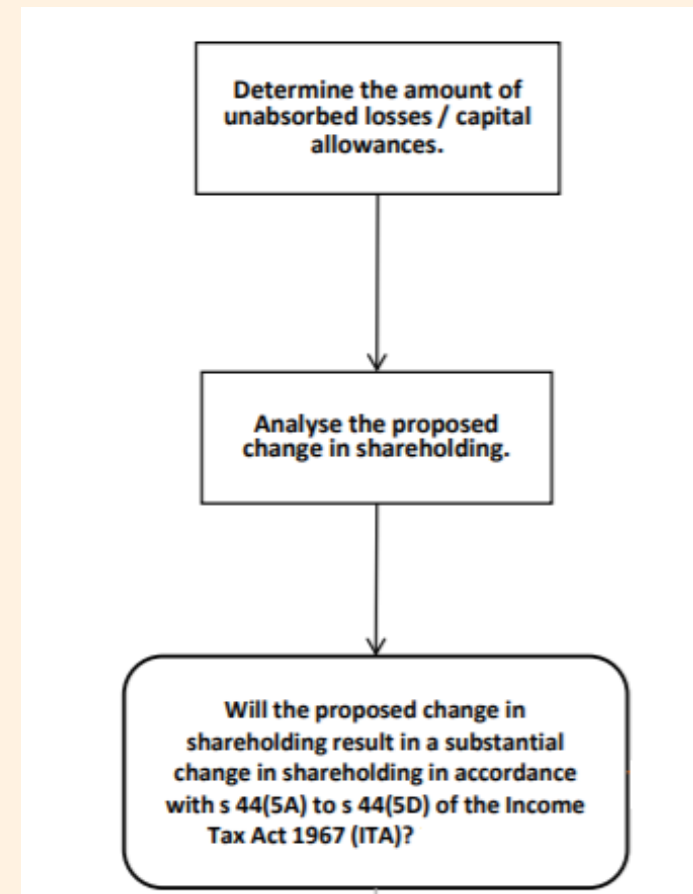
This amendment comes into operation on 1 January 2021.



## Finance Bill 2020 - Amendment of section 44(5B)(a) & (5C)(a) of ITA 1967: Substantial change in shareholding



- With these amendments:
  - the applicable value of shares of a company is not the nominal value. This amendment is consistent with the provisions of the Companies Act 2016 [Act 777].
  - This amendment comes into operation on 1 January 2021.



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