

University of Oxford China Office (Hong Kong) Limited

Tax-Efficient Giving for Hong Kong Donors

The University of Oxford is a global leader in learning, enlightenment and research excellence.

Through the University of Oxford China Office (Hong Kong) Limited, a registered charitable institution under section 88 of the Hong Kong Inland Revenue Ordinance, charitable giving by individuals in Hong Kong may be claimed as a deduction on the tax return. Donors may claim up to 35% of total assessable income or profits for the tax year.

This provides substantial benefits for donors in Hong Kong. For example, if the assessable income is HK\$500,000 after allowable expenses, individuals may claim up to HK\$175,000 in approved charitable donations.

Married couples may also find it advantageous to file a joint assessment, especially if the spouse's income is less than the primary earner's tax allowance. A joint assessment will allow individuals to claim the spouse's unutilised tax allowances, after the two incomes and allowances are aggregated. For a detailed example of this particular tax advantage, please see overleaf.

Bequests in wills are also eligible to receive tax relief.

The University of Oxford wishes to offer all assistance in securing tax benefits for its donors in Hong Kong. We have created a simple, one-page Giving Form for our Hong Kong benefactors to make the process as easy as possible, allowing you to specify how you wish your gift to be allocated. You can download the form here: <http://www.campaign.ox.ac.uk/document.rm?id=516>

You may also give by phone at our Hong Kong office: +852 2151 3877.

Upon receipt of a gift, the University of Oxford China Office (Hong Kong) will acknowledge the contribution in writing. It is important that the acknowledgement letter be kept with the donor's tax records for seven years after the date of the donation. The charitable deduction may be disallowed if you are unable to provide the acknowledgement to the Hong Kong Inland Revenue Department upon request.

For more details on how to claim a tax deduction for charitable giving, see <http://www.ird.gov.hk/eng/tax/ach.htm>.

Note: The information above is provided as a general guideline. We recommend you seek independent tax advice when preparing your tax return.

Advantage of Completing Joint Assessment with Spouse

Example - Claiming 35% of approved assessable donations: A married couple not living apart may claim deductions for approved charitable donations made by his/her spouse.

Information is for demonstration only. Please seek independent tax advice.

Year of Assessment 2008/09

	<u>Mr A</u>	<u>Mrs A</u>
Salaries income	\$510,000	\$300,000
Total approved charitable donations	\$200,000	\$40,000

Calculation of net chargeable income

Mr A

Income	\$510,000
<u>Less: Approved deductions</u>	<u>\$10,000</u>
	\$500,000
<u>Less: Approved charitable donations (Note 1)</u>	<u>\$175,000</u>
	\$325,000
<u>Less: Basic Allowance</u>	<u>\$108,000</u>
Net chargeable income	\$217,000

Mrs A

Income	\$300,000
<u>Less: Approved deductions</u>	<u>\$3,000</u>
	\$297,000
<u>Less: Approved charitable donations (Note 2)</u>	<u>\$65,000</u>
	\$232,000
<u>Less: Basic Allowance</u>	<u>\$108,000</u>
Net chargeable income	\$124,000

Note (1) The maximum amount of approved charitable donations that Mr A may claim is restricted to \$175,000 ($\$500,000 \times 35\%$). However, Mr A can ask Mrs A to claim the unused balance of \$25,000 on her tax return.

Note (2) Mrs A may claim on her tax return the unused portion of approved charitable donations made by Mr A, i.e. \$25,000 ($\$200,000$ less $\$175,000$ claimed), in addition to the donation of \$40,000 claimed by her.

Note (3) The previous deduction ceiling for approved charitable donations was 25% from 2003/04 to 2007/08.