

The Hong Kong University of Science and Technology
School of Business and Management

Department of Accounting
2025-26 Spring Semester
ACCT4410 – Taxation Course Outline

Instructor	Kelvin P. MAK (Dr.) – Associate Professor of Business Education	
Instructor’s Contact	Rm. 6055, LSK Business Building e-mail: acmak@ust.hk , Tel. 2358 7571	
Office Hours (by appointment)	Tuesday 09:30 a.m. – 10:30 a.m. Thursday 09:30 a.m. – 10:30 a.m.	
Lecture Time & Venue	L1 Monday 04:30pm – 05:50pm Friday 12:00pm – 01:20pm L2 Monday 03:00pm – 04:20pm Friday 10:30am – 11:50am L3 Monday 01:30pm – 02:50pm Friday 09:00am – 10:20am	LG3009 Lift 10-12
Teaching Associate	Ms. Chloe TAY, Room 6066, 6/F., LSK Building e-mail: actaychloe@ust.hk	
Course Web Site	Accessible via canvas portal: http://canvas.ust.hk	

1. Course Description

ACCT4410 Taxation provides students with an understanding of the relevant tax statutes, case law principles, and tax practices in Hong Kong. The course focuses on direct taxes and stamp duty in Hong Kong. Other essential topics that include tax administration procedures under the *Inland Revenue Ordinance, Cap. 112 and its subsidiary legislation; tax administration; tax planning principles; income taxes; anti-tax avoidance*; and tax issues relating to cross-border transactions would also be covered. ACCT4410 is a comprehensive taxation course that aims to give students a solid foundation, enabling them to address **tax issues related to business transactions** effectively.

2. Objectives

The course aims at providing students with the essential principles and practices of Hong Kong taxation. Also, it develops students’ generic skills in interpersonal interaction, working individually and in team situations, ethical issues, and sense of professional integrity when dealing with tax-related issues.

On successful completion of the course, students should be able to achieve the following Course Intended Learning Objectives (“CILO”) summarized as follows:

No.	CILOs
1.	DESCRIBE the law and practice of Hong Kong tax, including the source of tax law; Inland Revenue practices, including those dealing with basic principles and practices relating to cross-border transactions between Hong Kong and Mainland China.
2.	DESCRIBE and EXPLAIN the law, principles, and practices of Hong Kong property tax, salaries tax and profits tax, depreciation allowance, personal assessment, tax management, stamp duty, and tax administration.
3.	APPLY the tax principles to practical business situations and identify issues in income taxes and stamp duty planning.
4.	EXPLAIN the law and practice of offence and penalty.
5.	DESCRIBE the basic principles and ethical requirements of tax practice.
6.	COMMUNICATE effectively in verbal, written, and electronic formats.

3. Textbook and References

- a) Ho, Patrick K.W. and Mak, Kelvin P.L., *Hong Kong Taxation and Tax Planning*, 23rd edition, Pilot Publishing Co. Ltd.
- b) Macpherson, A & Olesnick, M, *Hong Kong Taxation: Law and Practice*, 2018/2019 edition, The Chinese University Press
- c) *Inland Revenue Ordinance (Cap.112)* and *Inland Revenue Rules*, Hong Kong SAR Government
- d) *Departmental Interpretation & Practice Notes*, (selected), Inland Revenue Department
- e) *Board of Review decisions* (selected), Board of Review (Inland Revenue Ordinance)
- f) *Code of Ethics for Professional Accountants, Volume I Professional Accountants Ordinance & By-laws, Professional Ethics & Conduct*, Hong Kong Institute of Certified Public Accountants: Members’ Handbook
- g) *Code of Professional Conduct*, The Taxation Institute of Hong Kong. URL: [Code of Professional Conduct – The Taxation Institute of Hong Kong](#)
- h) *Code of Ethics for Professional Accountants*, HKICPA. URL: [318ncoe1225.pdf](#)
- i) Useful URLs: Database of the Laws of Hong Kong: <http://www.elegislation.gov.hk>; and Inland Revenue Department official website: [http:// www.ird.gov.hk](http://www.ird.gov.hk)

4. Learning Approach

Taxation is an interesting subject that involves legal principles and practices. The best approach to learning this subject requires students' effort and involvement. This will be achieved through engaging activities in the lectures. They include discussions, participation in each class, and submission of take-home exercises.

5. Assessment Tasks

Components	Assessment base	Loading
Take-home exercises (Best 4 submissions)	individually	20%
Mid-term examination (20 March 2026 evening)	individually	30%
Final examination	individually	50%
Total		100%

Take-home Exercises (20%): The instructor will provide practice exercises on Canvas when and where appropriate. The primary objective is to encourage students to apply what they have learnt from lecture materials and solve practical questions. Practice exercise questions are available on Fridays (depending on the course's progress), and the course instructor will make a prior announcement before releasing a take-home exercise. Students will normally be given a week to complete the exercises.

The above assessment component requires a high degree of attention during lectures and self-discipline. Students are expected to devote sufficient time and energy to studying the course materials and to genuinely attempt the take-home exercise questions themselves.

Any proven cheating behavior would cause zero marks for that particular take-home exercise submission.

Note:

Late submission policy – to ensure fairness for students who submit assignments on time, a penalty for late submission is listed as follows:

- Late submission within 24 hours, 50% penalty will be applied; and
- Late submission for more than 24 hours will not be accepted.

Mid-term exam (30%): It will be held on Friday evening, i.e., on March 20, 2026, from 19:15 p.m. to 20:45 p.m. (1.5 hours). It will be a face-to-face, proctored midterm exam, with an open-book approach. There are case-based problems and questions that require students to apply what they have learned to give fact patterns of hypothetical case scenarios. They require students' articulation and numerical skills rather than, for example, the mere ability to perform simple calculations.

Note: All students are expected to take the mid-term examination at the scheduled time. Absence from the mid-term exam without the instructor's approval will result in zero marks.

Yet, when a student faces highly unusual circumstances that cannot be controlled and avoided, the instructor will make special arrangements that are best and fairest to meet the course requirements in each case.

Final examination (50%): A 2-hour final examination will be held during the Spring Term examination period, i.e., **May 16 – 29, 2026**. It will be a face-to-face proctored final exam. It will be an **open-book** examination covering all the topics in the course. You will be given more information about the format of the final examination tentatively in early May 2026.

Note: No make-up exam will be given except for medical reasons supported by proper documentary proof. Students must observe the required procedures published by the Academic Registry, [Examination Regulations \(Student\) | HKUST - Academic Registry](#)

Students should observe the rules and policies that are published on “Academic Integrity” website (URL: [Academic Integrity \(ust.hk\)](#)) of the HKUST. Students need to commit to the Academic Honor Code (URL: [Academic Honor Code](#)) published by the Academic Registry.

6. Course Website

Please visit the course web regularly for lecture materials, extra readings and important announcements. The URL is <http://canvas.ust.hk>

7. Course Policy

There will be no make-up examinations except for medical reasons supported by proper doctor’s note. A student who is unable to attend an examination due to medical reasons must inform the course instructor before the examination. Absence from any examination without prior approval will result in zero score for that examination.

8. Academic Conduct

The University Regulations on academic dishonesty will be strictly enforced. Please observe academic honesty and responsibility properly. Please also see Section 5. “Assessment tasks” above.

9. Communication and Feedback

Assessment scores for individual assessed tasks will be communicated, if applicable, via Canvas. Feedback on the assigned take-home exercises will be provided upon request. Students who have questions about the course should approach the course TA first.

10. Course AI policy

The use of generative AI is allowed to assist students’ learning. It should be used ethically with proper caution and acknowledgment, as necessary.

11. Course Schedule

The following course schedule is tentative and subject to change. Students are advised to follow the teaching materials closely in all lectures.

Week	Topics	Chapter Reference
1-2	Introduction to Hong Kong tax administration, offence & penalty provisions	1 – 5
3	Property tax: Scope of charge; computation & planning	6 & 7
4-6	Salaries tax: Scope of charge; Income & expenses; Personal allowances; Computation & Planning	8 – 13
7-9	Profits tax: Scope of charge; Source of Profits; Deemed trading receipts; Deductions and Computation	14 – 20
10	Tax depreciation allowances	31 – 33
11	Personal assessment	34 & 35
12	Stamp duty: Scope of charge; different Heads of charge; Relief and exemption; stamp duty administration; stamp duty planning	38 – 43
13	Ethical issues & Introduction to tax related to cross-border transactions	46 & 47

12. Grading rubric

	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
CILO1	Demonstrate an excellent understanding to identify the different sources of law and practices affecting the levy of tax in Hong Kong; including those relating to cross-border transactions between Hong Kong and China; and describe the characteristics of Hong Kong taxation system.	Demonstrate a good understanding to identify the different sources of law and practices affecting the levy of tax in Hong Kong; including those relating to cross-border transactions between Hong Kong and China; and describe the characteristics of Hong Kong taxation system.	Demonstrate an adequate understanding to identify the different sources of law and practices affecting the levy of tax in Hong Kong; including those relating to cross-border transactions between Hong Kong and China; and describe the characteristics of Hong Kong taxation system.	Demonstrate basic understanding to identify the different sources of law and practices affecting the levy of tax in Hong Kong; including those relating to cross-border transactions between Hong Kong and China; and describe the characteristics of Hong Kong taxation system.
CILO2	Demonstrate an excellent understanding to identify and explain the relevant tax issues based upon the law, principles and practices of Hong Kong property tax, salaries tax, profits tax, depreciation allowances, personal assessment, tax management, stamp duty and tax administration.	Demonstrate a good understanding to identify and explain the relevant tax issues based upon the law, principles and practices of Hong Kong property tax, salaries tax, profits tax, depreciation allowances, personal assessment, tax management, stamp duty and tax administration.	Demonstrate an adequate understanding to identify and explain the relevant tax issues based upon the law, principles and practices of Hong Kong property tax, salaries tax, profits tax, depreciation allowances, personal assessment, tax management, stamp duty and tax administration.	Demonstrate basic understanding to identify and explain the relevant tax issues based upon the law, principles and practices of Hong Kong property tax, salaries tax, profits tax, depreciation allowances, personal assessment, tax management, stamp duty and tax administration.
CILO3	Identify and analyse all types of business information relevant for forming solutions and/or tax advice; explain and apply various tax principles to business situations.	Identify and analyse most types of business information relevant for forming solutions and/or tax advice; explain and apply various tax principles to business situations.	Identify and analyse some types of business information relevant for forming solutions and/or tax advice; explain and apply various tax principles to business situations.	Identify a few types of business information relevant for forming solutions and/or tax advice; explain and apply various tax principles to business situations.

	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
CILO4	Demonstrate an excellent practical knowledge of interpreting and analysing income, expenditure and other relevant information to form solutions and/or make constructive tax advice with regard to income taxes and tax administrative matters in Hong Kong.	Demonstrate a good practical knowledge of interpreting and analysing income, expenditure and other relevant information to form solutions and/or make constructive tax advice with regard to income taxes and tax administrative matters in Hong Kong.	Demonstrate an adequate practical knowledge of analysing income, expenditure and other relevant information to form solutions and/or make constructive tax advice with regard to income taxes and tax administrative matters in Hong Kong.	Demonstrate basic practical knowledge of analysing income, expenditure and other relevant information to form solutions and/or make constructive tax advice with regard to income taxes and tax administrative matters in Hong Kong.
CILO5	Demonstrate an excellent understanding of the ethical principles and requirements pertaining to tax practice.	Demonstrate a good understanding of the ethical principles and requirements pertaining to tax practice.	Demonstrate an adequate understanding of the ethical principles and requirements pertaining to tax practice.	Demonstrate basic understanding of the ethical principles and requirements pertaining to tax practice.
CILO6	Demonstrate an excellent understanding of the subject and all the arguments are well articulated and well organized in terms of verbal presentation and report writing skills.	Demonstrate a good understanding of the subject and most of the arguments are sufficiently explained and properly organized in terms of verbal presentation and report writing skills.	Demonstrate an adequate understanding of the subject and the main arguments are explained and organized in terms of verbal presentation and report writing skills.	Demonstrate basic understanding of the subject and there was an attempt shown to explain and organize the relevant arguments in terms of verbal presentation and report writing skills.

End of Course Syllabus Document