

**Lifting of Requirement for  
Section 88 of Inland Revenue Ordinance for  
Energy Conservation Education Programme under  
Energy Conservation Projects for Non-government Organizations**

**PURPOSE**

This paper seeks Members' support to lift the requirement of tax exemption status granted by the Commissioner of Inland Revenue under Section 88 of the Inland Revenue Ordinance for applicant organizations of energy conservation education programme under the Energy Conservation Projects for Non-government Organizations (NGOs).

**BACKGROUND**

2. The Energy Conservation Projects Vetting Subcommittee discussed the funding requirement for the Energy Conservation Projects for NGOs at its 3<sup>rd</sup> meeting on 14 July 2009. Unlike the Buildings Energy Efficiency Funding Schemes, in view that full subsidies may be granted to applicant organizations for the funding scheme for NGOs, the Subcommittee agreed that as a pilot trial, the eligibility for energy-cum-carbon audit and energy improvement works under this funding scheme should be limited to local NGOs conducting non-profit making or charitable activities in their owned or occupied buildings or premises which were granted tax exemption status by the Commissioner of Inland Revenue under Section 88 of the Inland Revenue Ordinance (Cap 112) at first stage to facilitate further review. This eligibility requirement has also been imposed on applications for energy conservation education programme under the current Guide to Application.

**PROBLEM & PROPOSAL**

3. The Secretariat has reviewed the eligibility requirement for education programmes under different Vetting Subcommittees of Environment and Conservation Fund. While the Energy Conservation Projects Vetting Subcommittee focuses on education projects relating to energy conservation, the Environmental Education and Community Action Projects Vetting (EE&CAPV) Subcommittee would consider and approve general education programmes or activities which help enhance community awareness of environmental problems in Hong Kong and in which individual groups are mobilized to take direct and positive action to improve and conserve the environment in Hong Kong; and the Waste Recovery Projects Vetting (WRPV) Subcommittee provides funding support for educational projects and activities aiming to enhance awareness and ensure sustained participation of the public in waste prevention and recovery which are community-based and result-oriented. All local

non-profit making organizations such as green groups, community bodies and schools are eligible to submit applications for education projects to the EE&CAPV and WRPV Subcommittees and tax exemption status under Section 88 of the Inland Revenue Ordinance is not required.

4. In order to standardize the eligibility for applications for education projects received under the Environment and Conservation Fund to avoid unnecessary query and to encourage more education programmes on energy conservation, we propose lifting the requirement of tax exemption status under Section 88 of the Inland Revenue Ordinance for applications for energy conservation education programme made under the Energy Conservation Projects for NGOs. The requirement for tax exemption status will remain unchanged for energy-cum-carbon audit and energy improvement works.

### **ADVICE SOUGHT**

5. Members are invited to support the lifting of the requirement of Section 88 of the Inland Revenue Ordinance for the applications for energy conservation education programme made under the funding scheme for NGOs.

6. Subject to Members' endorsement, we will:-

- promulgate the changes in eligibility for application through amendment of the application form and the Guide to Application; and
- put forward the applications for energy conservation education programme submitted from NGOs whose tax exemption status is yet to be obtained for Members' approval.

**Secretariat, Energy Conservation Projects Vetting Subcommittee**  
**January 2010**