

CSO/ADM CR 14/3231//97

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1 November 2001

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Chairman of the House Committee
Legislative Council Building
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Proposed Priority in the Scrutiny of Bills by Members

I am writing to suggest that priority be accorded by Members to the scrutiny of the Inland Revenue (Amendment) Bill 2001, and if Members decide not to set up a Bills Committee to scrutinize that Bill, to the Kowloon-Canton Railway Corporation (Amendment) Bill 2001.

The Inland Revenue (Amendment) Bill 2001, introduced into the Legislative Council on 31 October 2001, seeks to implement the initiative announced by the Chief Executive in his 2001 Policy Address to ease the burden of home owners by increasing the maximum level of home loan interest deduction from \$100,000 to \$150,000 for the years of assessment 2001/02 and 2002/03. The Secretary for the Treasury has explained in her letter of 24 October 2001 to Members and during the Second Reading of the Inland Revenue (Amendment) Bill yesterday the urgency of the Bill, i.e. in order that qualified taxpayers may pay less tax in January next year, the Bill will need to be enacted by mid November 2001 the latest. The Bill is a straightforward one and in light of its time critical nature, we hope that Members will accord first priority to examining and enacting it.

As to the Kowloon-Canton Railway Corporation (Amendment) Bill 2001 introduced on the same day, it seeks to strengthen the corporate governance structure of the Kowloon-Canton Railway Corporation by separating the duties and functions of the Chairman and the Chief Executive

of the Corporation. Early enactment of the Bill is essential for the timely introduction of the new corporate governance arrangements, to tie in with the expiry of the service contract of the incumbent Chairman cum Chief Executive before the end of 2001. Should Members decide not to set up a Bills Committee to scrutinize the Inland Revenue (Amendment) Bill 2001, may we suggest that priority be given to the Kowloon-Canton Railway Corporation (Amendment) Bill 2001.

I should be most grateful if you would put forward our above suggestions for Members' consideration at the coming House Committee meeting on 2 November 2001.

(Andrew H Y Wong)
Director of Administration