



財經事務及庫務局
(庫務科)
香港下亞厘畢道
中區政府合署

FINANCIAL SERVICES AND THE
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16 December 2009

Ms Rosalind Ma
Clerk to Bills Committee on
Inland Revenue (Amendment)(No.2) Bill 2009
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central, Hong Kong
(By fax: 2121 0420)

Dear Ms Ma,

Bills Committee on Inland Revenue (Amendment) (No. 2) Bill 2009

Follow-up to fourth meeting on 16 November 2009

Thank you for your letter of 16 November 2009. The Administration's response is provided in the ensuing paragraphs.

To allow a retired member to handle a case that he has handled before
(paragraph 1(a) and (b) of the list of follow-up action)

We consulted the Board of Review again on Hon James To's suggestion of imposing a statutory requirement for the Board of Review to obtain the prior consent of both parties to an appeal before allowing a retired member to handle a case he handled before in the three circumstances stated in paragraph 5 of the LegCo Brief (or at least when the court remits a case to the Board of Review).

The Chairman of the Board does not agree with the suggestion. He points out that the present practice is for the original hearing panel to handle the case under the three stated circumstances. Since there is currently no requirement for the Board to seek the consent of both parties before arranging for the original hearing panel to handle the case, he sees no reason for different treatment when it happens that a member of the original hearing panel has retired from the Board. As a matter of principle, the Chairman of the Board considers that parties to an appeal should not be given a statutory right to choose a hearing panel and object to members whom they dislike.

We concur with the above views of the Chairman of the Board. As stated in our reply of 12 November 2009, the Chairman of the Board will duly consider both parties' views in determining the composition of a hearing panel, and it is unlikely that the Chairman, being an independent and fair-minded person, would redeploy a former member of the Board if that member has been proven no longer fit and proper to serve.

To extend the prosecution period for breaches of secrecy provisions
(paragraph 2 of the list of follow-up action)

Please find attached the draft Committee Stage Amendment to the Bill, which would give effect to the extension of the prosecution period for breaches of secrecy provisions under the Inland Revenue Ordinance to two years instead of six years as originally proposed in the Bill.

Yours sincerely,



(Ms Shirley Kwan)
for Secretary for Financial Services
and the Treasury

Encl

c.c. CIR (Attn: Mr K K Chiu)
(Attn: Mr K C Yim)
DoJ (Attn: Ms Angie Li)
BoR (Attn: Mr Simon Yip)

Internal
PAS(R)

INLAND REVENUE (AMENDMENT) (NO. 2) BILL 2009

COMMITTEE STAGE

Amendments to be moved by the Secretary for Financial
Services and the Treasury

Clause

Amendment Proposed

14(3) In the proposed section 81(2), by deleting "6
years" and substituting "2 years".