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2011/03/31 下午 12:40


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bcc

Subject CCA submission to Legco Subcommittee on the Public Revenue Protection (Motor Vehicles First Registration Tax)

History:

 This message has been forwarded.

30 March, 2011

The Clerk to
The Subcommittee on the Public Revenue Protection
(Motor Vehicles First Registration Tax) Order,
Legislative Council,
3rd Floor Citibank Tower
3 Garden Road, Central,
Hong Kong

Dear Sir/Madam,

Re: Carbon Care Asia (CCA) submission to
Legco Subcommittee on the Public Revenue Protection
(Motor Vehicles First Registration Tax) Order Meeting on 4 April, 2011

On behalf of Carbon Care Asia (CCA), I would like to submit some comments and recommendations concerning HK Motor Vehicles First Registration Tax, for the Legco Subcommittee's consideration.

Carbon Care Asia (CCA) is a carbon specialist company set up in Hong Kong to provide sustainable market solutions in carbon reduction. It is our mission to facilitate favorable conditions for the sound development of low carbon economy in this region. CCA shares the vision that Hong Kong, in the league of the C40, can play a significant carbon leadership role to help mitigate the climate change crisis. Hong Kong's place should be among the leaders and not laggards in the new low carbon economy. We believe that government, business, NGOs and citizens of all walks of life have a role to play in reducing carbon emission.

We are submitting our comments on Government's proposal to increase motor vehicles first registration tax which is the subject of consideration of the Committee on the Protection of Public Revenue, to be held on 4 April 2011.

Paragraph 166 of the 2011 Budget Speech proposes to increase the rate of each tax band for the First Registration Tax for private cars by about 15 per cent. The purposes are to curb the increase of private cars and to ease traffic congestions. However, we see this proposal as a potentially beneficial measure for reducing carbon emission in the region.

Transportation represents 18% of total carbon emission in Hong Kong. We noted that the Government proposes to continue the tax exemption for electrical and environment-friendly petrol vehicles. We believe that this is the right move.

Measures on reducing the use of private cars should be welcome provided that they are demonstrated to be effective. Such measures can help achieve the carbon reduction target proposed in the Climate Change Response Strategy announced in September 2010.

In order to establish the direct correlation between the increase in first registration tax and reduced use of private vehicles which helps reduce greenhouse gases emission, **we propose that the revenues from the first registration tax from private cars should be earmarked in a Fund for promoting public transport and community-based shared means of transport. The Fund can support the switch from private car uses to public or community-based shared system, and the introduction of new mode of transport which helps carbon reduction and sustainable development.**

I hope that our comments will be considered by the honorable members of the Legco Committee, and concerned Government officials.

Best regards.

Yours sincerely

CHONG Chan-yau, MBE
Chairman
Carbon Care Asia