



財經事務及庫務局
香港添馬添美道二號
政府總部二十四樓

24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

傳真號碼 Fax No. : (852) 2179 5848
電話號碼 Tel. No. : (852) 2810 2370
本函檔號 Our Ref. :
來函檔號 Your Ref. :

(Translation)

By email (bpylam@legco.gov.hk)

26 November 2020

Legislative Council Secretariat
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Bowie LAM)

Dear Ms LAM,

**Meeting of the Finance Committee of the Legislative Council
Held on 13 November 2020
FCR(2020-21)63
Creation of one permanent post of Administrative Officer Staff
Grade B1 (D4)/D4-equivalent non-civil service position in the
Financial Secretary's Office to strengthen its directorate support for
assisting the Financial Secretary in the formulation and follow-up of
Budget-related proposals as well as spearheading strategic
tax policies and measures in Hong Kong**

We refer to your email dated 16 November regarding the captioned matter. Our reply to the follow-up questions raised by Members during the meeting of the Finance Committee on 13 November is at **Annex**.

Yours sincerely,


(Miss Helen CHUNG)

for Secretary for Financial Services and the Treasury

c.c.

Chief Secretary for Administration's Office (Attn: Ms Sharon TSANG)
Financial Secretary's Office (Attn: Mr Rudolf CHEUNG)

**Creation of one permanent post of Administrative Officer Staff
Grade B1 (D4)/D4-equivalent non-civil service position in the
Financial Secretary's Office**

Reply to the follow-up questions raised by Members

- (a) **The Administration's position and views on increasing the betting duty and/or allowing the Hong Kong Jockey Club (HKJC) to introduce a new type of sports betting duty**

Given that around 70% of the total government revenue currently comes from profits tax, salaries tax, stamp duties and land premium, and that Hong Kong is an open economy, government revenue is susceptible to economic fluctuations. To ensure our fiscal sustainability, we will control our expenditure carefully and adopt a prudent and focused approach in resource utilisation. In addition, we will strive to promote the growth and vibrancy of our economy and identify new areas of economic growth to increase our revenue. On taxation, not only will we examine the existing tax regime and tax rates, we will also make reference to the practices and experience of other places. Regarding different proposals for seeking new revenue sources, including increasing the betting duty and/or allowing the HKJC to introduce a new type of sports betting duty as suggested by a Member, we will explore with an open mind and give full consideration to all factors.

- (b) **Key performance indicators of the proposed post**

The post will be supervising the Budget and Tax Policy Unit expanded from the Tax Policy Unit, with a view to strengthening the support for the Financial Secretary (FS) on tax policy matters as well as Budget formulation and related matters. On the Budget side, the major functions of the unit are to assist the FS in formulating the Budget framework, and liaise with relevant policy bureaux and organisations on individual proposals and measures with the provision of the necessary co-ordination. On tax policy side, the unit will continue to assist other bureaux in exploring the feasibility of tax measures related to key policy areas. It will also continue to keep a close watch over new developments in the international tax arena, including the proposal of the Organisation for Economic Co-operation and

Development on imposing a global minimum tax rate and a digital tax to address base erosion and profit shifting, and maintain close communication with the Financial Services and the Treasury Bureau and the Inland Revenue Department on such matters to assist them in conducting studies and analyses. The unit will also carry out analyses and provide advice on various tax matters as appropriate, including proposals received during Budget consultation. The work of the position will be adjusted subject to actual circumstances and needs. Considering the work nature of the position and that the formulation and implementation of budget measures as well as tax policies and measures depend on various factors, it is difficult to quantify the work performance. Establishing rigid performance indicators for the post is therefore not feasible.