

3 June 2003

Miss Becky Yu
Clerk of Bills Committee
Legislative Council
Legislative Council Building
6 Jackson Road
Central
Hong Kong

Dear Miss Yu,

Thank you for sending us a copy of the paper for Bills Committee on the Revenue Bill 2003, dated 30 May.

As requested, we have looked at the paper. Without evaluating the validity of the assumptions and the accuracy of the calculations in the paper due to time constraint, we consider that the revised proposal only results in relatively mild increase in the effective tax rates. Accordingly, we offer no further comments, although it has been our position that any increases in the FRT are not appropriate under current economic circumstances as explained in our earlier submission on this subject.

I would like to take this opportunity to express our gratitude on behalf of our Institute for your Committee's effort in looking after the interest of the public at large.

Yours faithfully,

Joseph Fu
President

c.c. Council Members – The Taxation Institute of Hong Kong