

To: Secretariat
Bills Committee on
Boundary Facilities Improvement Tax Bill
Legislative Council

From: East Pacific (Holdings) Ltd.

Date: 22nd August, 2003

Re: Submission on Boundary Facilities Improvement Tax Bill

Dear Sirs,

Thank you for the opportunity we have granted to express our views on the captioned subject.

At the time the CEPA is in force, the set up of BFIT is definitely in contravention to the CEPA. Mainland government has offered several tax exemptions to entities and products of Hong Kong as to assist the recovery of Hong Kong's economy, whilst SAR government itself to set up a new tax. This action is not only betraying Hong Kong citizen but also belied to our unselfish motherland.

At this moment that entities are going through a hard time of the weakened economic environment, what an open-minded government should do is to diminish expenditure but not to set up a new tax income causing citizen and entities to a more suffering and unaffordable situation.

For our case, we have 12 private cars going through China-Hong Kong. For each car crossing the border once a day, there will be an extra of more than thirty thousand Hong Kong dollars per month. This cost is absolutely quite a liability. To counterbalance this extra outgoing, we have no choice but to regulate our existing resources. The adjustment may probably cause difficulties to livelihood of some incumbent, and even negative impacts on the community. This is certainly not what we would like to happen.

We strongly oppose to the BFIT.