

2 September 2003

Hon. Chan Kam-lam
Chairman of the Bills Committee
Legislative Council
0420)
Legislative Council Building
8 Jackson Road, Central
Hong Kong

By Fax & Post
(Fax no. 2121

Dear Hon. Chan,

Re: Boundary Facilities Improvement Tax Bill

Thank you for your letter of 11 July 2003 to invite The Goods Vehicle Fleet Owners Association Ltd. (GVFOA) to forward our views regarding the above Bill.

There is no doubt that GVFOA fully supports the Boundary Facilities Improvement Tax in order to improve the boundary crossing facilities so as to meet the increasing flow of people and trade between Hong Kong and the Mainland.

We understand that to impose a Boundary Facilities Improvement Tax on persons by land and by sea would enhance the financial feasibility of boundary facilities. However, the GVFOA would like to voice the following concerns:

- (1) We agree that passengers departing Hong Kong by land and by sea will be liable to pay the tax at \$18 to the Government. However, the Association strongly opposes that the owner of a passenger car departing Hong Kong via a land departure point will have to pay the tax at \$100 per car. We consider that on equitable rationale, the Boundary Facilities Improvement Tax for passenger cars should be charged on the basis of number of passengers on the car.
- (2) We would like the Legislative Council to describe more details of the mechanism for collecting the tax. Our most concern is the collection activity which might cause hiccups to traffic flow in peak hours.

P. 2
2 September 2003

Should there be any queries, please feel free to contact the undersigned at 2118 5522.

Regards.

Yours sincerely,
For and on behalf of
THE GOODS VEHICLE & FLEET OWNERS ASSOCIATION LIMITED

Stephen Lui
Chairman
SL/cy

c.c. Ms. Vivian Mak (BCSL)