

立法會
Legislative Council

LC Paper No. CB(1)362/05-06
(These minutes have been seen
by the Administration)

Ref: CB1/BC/14/04

**Bills Committee on
Revenue (Profits Tax Exemption for Offshore Funds) Bill 2005**

**Minutes of the second meeting held on
Tuesday, 25 October 2005, at 9:00 am
in the Chamber of the Legislative Council Building**

Members present : Hon James TIEN Pei-chun, GBS, JP (Chairman)
Hon Bernard CHAN, JP
Hon SIN Chung-kai, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon TAM Heung-man

Members absent : Dr Hon LUI Ming-wah, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS

Public officers attending : Mr Martin GLASS, JP
Deputy Secretary for Financial Services and the Treasury
(Treasury)

Miss Erica NG
Principal Assistant Secretary for Financial Services and the
Treasury (Treasury)

Mrs Dorothy MA
Principal Assistant Secretary for Financial Services and the
Treasury (Financial Services)

Mrs LAU MAK Yee-ming, JP
Commissioner of Inland Revenue

Mr TAM Kuen-chong, JP
Deputy Commissioner of Inland Revenue

Mr CHU Yam-yuen, JP
Assistant Commissioner of Inland Revenue

Mr YIM Kwok-cheong
Senior Assessor
Inland Revenue Department

Ms Monica LAW
Senior Assistant Law Draftsman
Department of Justice

**Attendance by
invitation**

: Deacons

Mr Rory GALLAHER
Partner

Capital Markets Tax Committee of Asia

Mr David SUTHERLAND
Ex-Chairman

British Chamber of Commerce in Hong Kong

Ms Deborah ANNELLS
Director

Clifford Chance

Mr James WALKER
Partner, Head of Funds Practice Asia

Mr Kenneth LEUNG
Consultant, Tax Department

Hong Kong Society of Financial Analysts Limited

Mr Karl LUNG, CFA
President

Mr James SOUTAR, CFA
Director

Hong Kong Stockbrokers Association

Mr Anthony ESPINA
Chairman

Mr Kenny LEE
Vice Chairman

Ernst & Young Tax Services Limited

Ms Florence CHAN Yuen-fan
Partner

PricewaterhouseCoopers Ltd.

Mrs Florence YIP
Asia Pacific Tax Leader
Investment Management Industry Group

Mr Tim LUI
Partner

Deloitte Touche Tohmatsu

Ms Sarah McGrath
Partner, Tax Services

Mr Jesse KAVANAGH
Senior Tax Manager
International Tax Services

Hong Kong Investment Funds Association

Ms Elisabeth SCOTT
Chairman

Mr Chris INGRAM
Representative

KPMG Tax Limited

Mr Darren BOWDERN
Tax Partner

Ms Carreace WONG
Tax Manager

The Taxation Institute of Hong Kong

Mr Patrick KWONG
Vice Chairman, Taxation Review Committee

Alternative Investment Management Association

Mr Raymond WONG
Member

Mr James SHIPTON
Member

The Hong Kong General Chamber of Commerce (Taxation Committee)

Mr Dino FARRONATO
Chairman

Goldman Sachs (Asia) L. L. C.

Mr Archie PARNELL
Managing Director

Ms Vanessa LEE Yim-fong
Executive Director

SINOPIA Asset Management (Asia Pacific) Limited

Mr Patrice CONXICOEUR
Chief Executive

Clerk in attendance : Ms Connie SZETO
Senior Council Secretary (1)4

Staff in attendance : Ms Connie FUNG
Assistant Legal Adviser 3

Ms Debbie YAU
Senior Council Secretary (1)1

Ms Guy YIP
Council Secretary (1)1

I. Meeting with deputations and the Administration

(LC Paper No. CB(1)44/05-06(01) — Submission from the Capital Markets Tax Committee of Asia

LC Paper No. CB(1)44/05-06(02) — Submission from the British
(Revised) Chamber of Commerce in Hong Kong (BCC)

LC Paper No. CB(1)44/05-06(03) — Submission from the Clifford Chance

LC Paper No. CB(1)44/05-06(04) — Submission from the Hong Kong Society of Financial Analysts Limited

LC Paper No. CB(1)44/05-06(05) — Submission from the Ernst & Young Tax Services Limited

LC Paper No. CB(1)44/05-06(06) — Submission from the PricewaterhouseCoopers Ltd.

LC Paper No. CB(1)44/05-06(08) — Submission from the Deloitte Touche Tohmatsu

LC Paper No. CB(1)44/05-06(09) — Submission from the Hong Kong Investment Funds Association

LC Paper No. CB(1)44/05-06(10) — Submission from the KPMG Tax Limited

- LC Paper No. CB(1)44/05-06(11) — Submission from The Taxation Institute of Hong Kong
- LC Paper No. CB(1)44/05-06(12) — Submission from the Alternative Investment Management Association
- LC Paper No. CB(1)44/05-06(13) — Submission from The Hong Kong General Chamber of Commerce (Taxation Committee)
- LC Paper No. CB(1)138/05-06(01) — Submission from the Goldman Sachs (Asia) L.L.C.
- LC Paper No. CB(1)138/05-06(02) — Submission from the SINOPIA Asset Management (Asia Pacific) Limited
- LC Paper No. CB(1)44/05-06(14) — Submission from the CPA Australia, Hong Kong China Division
- LC Paper No. CB(1)44/05-06(15) — Submission from The Law Society of Hong Kong
- LC Paper No. CB(1)44/05-06(16) — Submission from The Association of Chartered Certified Accountants (Hong Kong)
- LC Paper No. CB(1)44/05-06(17) — Submission from the Hong Kong Venture Capital and Private Equity Association
- LC Paper No. CB(1)44/05-06(18) — Submission from the Hong Kong Association of Banks
- LC Paper No. CB(1)44/05-06(07) — Submission from the Hong Kong Institute of Certified Public Accountants

- LC Paper No. CB(1)44/05-06(19) — Submission from Mr David GUNSON — First submission dated 10 August 2005
- LC Paper No. CB(1)44/05-06(20) — Submission from Mr David GUNSON — Second submission dated 13 September 2005
- LC Paper No. CB(1)117/05-06(01) — Summary of submissions prepared by the Legislative Council Secretariat (position as at 21 October 2005))

II. Meeting with the Administration

(LC Paper No. CB(3)770/04-05

- The Bill
- LC Paper No. CB(1)44/05-06(21) — “List of follow-up actions to the first meeting on 15 July 2005” prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)44/05-06(22) — Paper provided by the Administration on “Follow-up to meeting on 15 July 2005”
- LC Paper No. CB(1)44/05-06(23) — Letter dated 27 August 2005 from the Assistant Legal Adviser to the Administration, with extracts of relevant statutory provisions
- LC Paper No. CB(1)44/05-06(24) — Paper provided by the Administration on “Response to issues raised by the LegCo Assistant Legal Adviser in letter dated 27 August 2005”)

The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

(Post-meeting note:

- (a) The speaking note of the Commissioner of Inland Revenue (LC Paper No. CB(1)150/05-06(01) (Revised) and submissions from Deacons (LC Paper No. CB(1)172/05-06(01)) and Hong Kong Stockbrokers Association (LC Paper No. CB(1)172/05-06(02)) were issued to members on 27 October 2005; and
- (b) Summary of submissions and Administration's responses (position as at 24 November 2005) (LC Paper No. CB(1)117/05-06(02)) was issued to members on 24 November 2005.)

Proposed exemption provisions with retrospective effect to the year of assessment 1996-97

2. Members noted the Administration's view that applying the proposed exemption provisions with retrospective effect was to provide legal certainty in respect of offshore funds' tax liabilities for the past years which was much called for by the fund industry. While some members supported the Administration's proposal, some members expressed reservation. In this connection, Mr Ronny TONG suggested that instead of incorporating the retrospective effect provisions in the Bill, the Administration should provide an undertaking during the resumption of the Second Reading debate on the Bill that the Inland Revenue Department (IRD) would not recover outstanding profits tax from offshore funds since 1 April 1996. The suggestion might address the Administration's concern that without the retrospective effect provisions, the IRD would be statutorily bound to recover tax from offshore funds. The Administration advised that this might not be appropriate, as such an undertaking could not override the provisions of the Inland Revenue Ordinance (IRO).

Follow-up actions to be taken by the Administration

Application of the "central and management control" criterion

3. In respect of the concern raised by some deputations that the Bill might impose profits tax liability on some offshore funds (i.e. owned by non-residents), mostly boutique funds, which had established their central management and control in Hong Kong (thus becoming an onshore fund) but engaged in transactions overseas, the Administration emphasised that the Bill would not impose any new tax liability on onshore funds which were always chargeable to tax in respect of securities trading profits derived from Hong Kong. Profits derived offshore were not taxable. The Administration agreed to make clarification in a Departmental Interpretation and Practice Note to allay the concern.

Committee Stage amendments (CSAs)

4. To facilitate the clause-by-clause examination of the Bill, the Administration was requested to provide draft proposed CSAs for the Bills Committee's consideration before the next meeting to be held on 28 November 2005. The draft proposed CSAs should include those undertaken by the Administration in LC Paper Nos. CB(1)44/05-06(22) and (24). The Administration was requested to provide a marked-up copy of the draft proposed CSAs with brief explanatory notes to facilitate members' perusal.

III. Any other business

Dates of the third and fourth meetings

5. Members agreed that the third and fourth meetings of the Bills Committee be held as follows:

<u>Meeting</u>	<u>Date</u>	<u>Time</u>
Third	28 November 2005	4:30 pm to 6:30 pm
Fourth	19 December 2005	10:45 am to 12:45 pm

6. Members agreed that the Bills Committee would begin clause-by-clause examination of the Bill in conjunction with draft proposed CSAs from the Administration. The third meeting to be held on 28 November 2005 would be cancelled in the event that the Administration's draft proposed CSAs were not ready.

7. There being no other business, the meeting ended at 12:25 pm.

Council Business Division 1
Legislative Council Secretariat
24 November 2005

Appendix

**Proceedings of the second meeting of the
Bills Committee on Revenue (Profits Tax Exemption for Offshore Funds) Bill 2005
on Tuesday, 25 October 2005, at 9:00 am
in the Chamber of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action Required
000000-000506	Chairman	Welcoming remarks	
000507-000855	Deacons	<u>Presentation of views</u> (LC Paper No. CB(1)172/05-06(01))	
000856-001150	Capital Markets Tax Committee of Asia	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(01))	
001151-001557	British Chamber of Commerce in Hong Kong (BCC)	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(02))	
001558-002015	Clifford Chance	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(03))	
002016-002402	Hong Kong Society of Financial Analysts Limited (HKSFAL)	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(04))	
002403-002816	Hong Kong Stockbrokers Association	<u>Presentation of views</u> (LC Paper No. CB(1)172/05-06(02))	
002817-003319	Ernst & Young Tax Services Limited (Ernst & Young)	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(05))	
003320-003908	PricewaterhouseCoopers Ltd. (PWC)	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(06))	

Time marker	Speaker	Subject(s)	Action Required
003909-004308	Deloitte Touche Tohmatsu	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(08))	
004309-004718	Hong Kong Investment Funds Association (HKIFA)	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(09))	
004719-004912	KPMG Tax Limited	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(10))	
004913-005151	The Taxation Institute of Hong Kong	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(11))	
005152-005716	Alternative Investment Management Association	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(12))	
005717-010125	The Hong Kong General Chamber of Commerce (Taxation Committee) (HKGCC(TC))	<u>Presentation of views</u> (LC Paper No. CB(1)44/05-06(13))	
010126-010455	Goldman Sachs (Asia) L. L. C.	<u>Presentation of views</u> (LC Paper No. CB(1)138/05-06(01))	
014556-010700	SINOPIA Asset Management (Asia Pacific) Limited	<u>Presentation of views</u> (LC Paper No. CB(1)138/05-06(02))	
010701-012039	Chairman Administration	<u>Administration's responses to submissions from deputations</u> (LC Paper Nos. CB(1)117/05-06(02) and CB(1)150/05-06(01) (Revised))	
012040-012243	Chairman Mr Jeffrey LAM	Member's support for the Bill and urge for the Administration to keep an open mind on the industry's further suggestions on the Bill	
012244-012745	Chairman	(a) Feasibility of providing a	

Time marker	Speaker	Subject(s)	Action Required
	Miss Mandy TAM Clifford Chance Administration	<p>definition on “central management and control” in the Bill</p> <p>(b) The Administration’s advice, as follows:</p> <p>(i) The “central management and control” concept was a common law principle that was derived from case law and court decisions. It was not capable of being defined in a precise manner.</p> <p>(ii) Determining the “central management and control” of an entity involved examination of the relevant facts of individual case. A statutory definition might hinder the application of the common law principle to different real life situations.</p> <p>(iii) No common law jurisdiction that adopted the “central management and control” test stipulated a statutory definition in its law</p> <p>(iv) The Inland Revenue Department (IRD) would issue a Departmental Interpretation and Practice Note (DIPN) with examples when the Bill was enacted to explain how the “central management and control” test would be applied</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>(v) Notwithstanding that the DIPN would have no legal effect, as the examples would be worked out with reference to the substantial body of case law developed by courts on the concept, the DIPN would be a useful guide in applying the test</p>	
012746-013339	<p>Chairman Miss Mandy TAM PWC Ernst & Young Administration</p>	<p><u>Deeming provisions</u></p> <p>(a) PWC’s concern that application of the deeming provisions might have the undesirable effect of taxing Hong Kong conglomerates for profits earned by their overseas subsidiaries/associated companies from independent investments in Hong Kong securities</p> <p>(b) The Administration’s advice that administering of the deeming provisions by reference to the source of “funds” (i.e. moneys) was impractical and open to abuse</p> <p><u>Identification of offshore funds</u></p> <p>(a) Ernst & Young’s suggestion that profits tax exemption should be dependent on the residence of the investors in an offshore fund rather than the “central management and control” of the fund</p>	

Time marker	Speaker	Subject(s)	Action Required
		(b) The Administration's advice that the proposed tests in the Bill, namely, a number of "specified days" for individuals and the "central management and control" criterion for corporations and other non-individual entities at entity level were generally supported by the industry for determining the granting of exemption	
013340-014438	Chairman Mr Ronny TONG Administration BCC HKSFAL	<p><u>Exemption provisions</u></p> <p>(a) BCC's concern that boutique funds with their "central management and control" established in Hong Kong, all their operations would be considered "onshore" and hence would be subject to profits tax</p> <p>(b) Administration's clarification that offshore transactions of boutique funds were not subject to profits tax</p> <p>(c) HKSFAL's concern that the Administration's proposal would only benefit those investment advisers who were part of a global group and put local investment firms at a disadvantaged position</p>	
014439-015432	Chairman Mr CHIM Pui-chung Administration	<p>(a) Member's support for the Bill and application of the exemption provisions with retrospective effect</p> <p>(b) Member's concerns/suggestions,</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>as follows:</p> <ul style="list-style-type: none"> (i) What constituted “offshore funds” must be clarified (ii) The Bill must not put local investors, local fund management industry, local brokers at a disadvantaged position and must maintain a level playing field and ensure fair competition between local and foreign funds <p>(c) The Administration’s responses, as follows:</p> <ul style="list-style-type: none"> (i) The Bill would strengthen Hong Kong’s competitiveness as an international financial centre. The exemption was in line with that offered in other major financial centres. (ii) The Bill would benefit downstream service sectors, such as the local fund management sector and financial services sector as tax exemption was granted to qualified transactions carried out through a licensed corporation or a registered financial institution 	

Time marker	Speaker	Subject(s)	Action Required
015433-020419	Chairman Mr SIN Chung-kai Administration HKIFA	<p><u>Retrospective effect of the exemption provisions</u></p> <p>(a) Member's reservation about applying the proposed exemption with retrospective effect to 1996-97</p> <p>(b) The Administration's responses, as follows:</p> <p>(i) There had been practical difficulties in the past for IRD to obtain information on share transactions carried out by offshore funds for taxation proposes</p> <p>(ii) It was the Administration's intention in 1996 to implement the policy of providing tax exemption to all non-residents in respect of securities trading profits. However, the amendment did not succeed due to some unresolved technicality. A narrower scope of exemption was adopted.</p> <p>(iii) The retrospective exemption provision was much called for by the industry</p> <p>(c) HKIFA's view that Hong Kong's reputation would be damaged if the exemption was not applied with retrospective effect. It would be unfair to present investors in an offshore fund if they were to bear the tax burden</p>	

Time marker	Speaker	Subject(s)	Action Required
		in relation to the past years.	
020420-021140	Chairman Mr WONG Ting-kwong Administration HKGCC(TC)	<p><u>Triggering threshold for applying the deeming provisions</u></p> <p>(a) The bases for adopting a threshold of not less than 30% (either alone or jointly with associates) for triggering the deeming provisions</p> <p>(b) The Administration’s advice that the 30% threshold was a reasonable balance between prevention of avoidance and facilitating the resident investors to obtain information from the offshore fund to comply with the new law</p> <p>(c) HKGCC(TC)’s view that the industry had suggested a threshold of 50% in order to facilitate a resident investor in obtaining relevant information for completing tax return</p>	
021141-021419	Chairman Mr WONG Ting-kwong Administration	<p>The Administration’s confirmation, as follows:</p> <p>(a) The international standards on “residency” would be adopted for determining the number of “specified day” for individuals under the proposed “residence” test in the Bill</p> <p>(b) A person’s stay in the Mainland would be regarded as stay outside Hong Kong under the “residence” test</p>	

Time marker	Speaker	Subject(s)	Action Required
021420-022119	Chairman Mr Ronny TONG BCC Administration	<p>(a) Member's reservation about applying the exemption provisions with retrospective effect and refunding the profits tax collected from offshore funds</p> <p>(b) The Administration's advice that if the retrospective effect of the exemption was adopted, it would be necessary to refund the \$18.2 million profits tax already collected if the offshore funds satisfied the exemption conditions</p> <p>(c) BCC's concern that a resident person might be subject to double taxation as a result of the deeming provisions</p> <p>(d) The Administration's explanation, as follows:</p> <p>(i) Profits derived from the sale of units in an offshore fund were taxable only if the profits were revenue in nature</p> <p>(ii) Hong Kong did not tax dividends and capital gains</p> <p>(iii) The profits derived from the sale of units in an offshore fund were not taxable if the units were held for investment purposes</p>	
022120-022814	Chairman Mr Jeffrey LAM Administration	<p>(a) Consultation on the Bill</p> <p>(b) HKGCC(TC)'s concern about</p>	

Time marker	Speaker	Subject(s)	Action Required
	HKGCC(TC)	double taxation with application of the deeming provisions where the non-resident person was also subject to tax imposed by another country	
022815-023115	Chairman Mr SIN Chung-kai Administration	<p><u>Retrospective effect of the exemption provisions</u></p> <p>The Administration's advice, as follows:</p> <p>(a) Tax returns for back years had been issued to some 200 offshore funds. If the exemption provisions were to be applied with no retrospective effect, the Administration would need to take follow-up action on those tax returns.</p> <p>(b) It was not possible to make an accurate estimation on the amount of outstanding profits tax from these offshore funds since the assessment year of 1996-97</p>	
023116-023833	Break	—	
023834-024600	Chairman Clerk Miss TAM Heung-man Mr WONG Ting-kwong Administration Mr SIN Chung-kai Mr Ronny TONG	Dates of third and fourth meetings	Members to note as per paragraph 5 of the minutes
024601-024938	Chairman Administration	<p><u>Matters arising from the meeting held on 15 July 2005</u> (LC Paper No. CB(1)44/05-06(22))</p>	

Time marker	Speaker	Subject(s)	Action Required
		Administration's briefing on its paper "Follow-up to meeting on 15 July 2005"	
024939-025611	Chairman Administration Mr Ronny TONG Mr SIN Chung-kai	<p>(a) Whether the "central management and control" criterion should be defined in the Bill</p> <p>(b) The Administration's advice, as follows:</p> <p>(i) The "central management and control" test was a well-established common law principle adopted in many jurisdictions in determining residence of non-individual entities. It was well settled that the central management and control referred to the highest level of control of a business.</p> <p>(ii) It was not necessary and might not be appropriate to set out in the Bill exhaustively the circumstances under which the central management and control of an entity was regarded as being exercised in Hong Kong</p> <p>(iii) No jurisdictions adopting the concept for determining the residency for tax purpose had defined the scope of the concept in their statutes</p>	

Time marker	Speaker	Subject(s)	Action Required
		(c) Members' support for the IRD to issue a DIPN to explain how the "central management and control" test would be applied with worked examples	
025612-025945	Administration Mr Ronny TONG Chairman	(a) Deputations' concern that the Bill might adversely affect the competitiveness of local funds and local financial services sector vis-à-vis offshore funds and foreign fund management industry (b) The Administration's advice that the Bill would attract more offshore funds to Hong Kong. As tax exemption would be granted to qualified transactions which were carried out through licensed corporations or registered financial institutions, the local fund industry would benefit from the Bill.	
025946-031641	Chairman Mr Ronny TONG Administration Mr SIN Chung-kai Mr WONG Ting-kwong Mr Jeffrey LAM	<u>Application of the "central management and control" criterion</u> (a) BCC's concern that the Bill might impose profits tax liability on some offshore funds, mostly boutique funds, which had established their central management and control in Hong Kong but engaged in transactions overseas (b) The Administration's clarification that under the territorial source principle of taxation in Hong Kong, only	

Time marker	Speaker	Subject(s)	Action Required
		<p>profits derived from Hong Kong were subject to profits tax in Hong Kong. Profits derived outside Hong Kong were not liable to profits tax.</p> <p>(c) The Administration's agreement to make clarification in a DIPN to allay the concern in item (a) above</p> <p><u>Retrospective application of the exemption provisions to the year 1996-97</u></p> <p>(a) Reservation raised by Mr Ronny TONG and Mr SIN Chung-kai on applying the exemption provisions with retrospective effect. Their major concerns were as follows:</p> <p>(i) As a matter of principle, legislative provisions should take effect from the enactment of the relevant bill and should not have retrospective effect</p> <p>(ii) The IRD had not taken effective enforcement actions in the past years to recover profits tax payable by offshore funds</p> <p>(iii) It was necessary to refund the \$18.2 million profits tax collected from offshore funds if the exemption provisions were to take</p>	<p>The Administration to take action under paragraph 3 of the minutes</p>

Time marker	Speaker	Subject(s)	Action Required
		<p style="text-align: center;">retrospective effect</p> <p>(b) Mr Ronny TONG's suggestion that instead of incorporating the retrospective effect provisions in the Bill, the Administration should provide an undertaking during the resumption of the Second Reading debate on the Bill that the IRD would not recover outstanding profits tax from offshore funds since 1 April 1996. The suggestion might address the Administration's concern that without the retrospective effect provisions, the IRD would be statutorily bound to recover tax from offshore funds.</p> <p>(c) Mr WONG Ting-kwong indicated the Democratic Alliance for the Betterment and Progress of Hong Kong's support for the retrospective effect provisions in the Bill. It was a workable solution for resolving the issue given that substantial cost might be involved for recovering potential outstanding profits tax from offshore funds, and that the suggestion in item (b) above might be unfair to corporations which had paid profits tax for the period from 1996-97 onwards.</p> <p>(d) Mr Jeffrey LAM's support for the proposed retrospective effect provisions on grounds that the proposal would provide legal</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>certainty in respect of offshore funds' tax liabilities for the past years, which was much called for by the industry</p> <p>(e) The Administration's advice that Mr Ronny TONG's suggestion in item (b) might not be appropriate. The Administration's speech delivered at the Second Reading debate on the Bill could not override the provisions in the IRO.</p>	
031642-032047	Chairman Administration	<p><u>Overseas practices</u></p> <p>The Administration's advice that Japan did not offer specific tax exemption for offshore funds</p>	
032048-032405	Chairman Assistant Legal Adviser 3 (ALA3)	<p><u>Concerns about clauses 2 and 3 and drafting matters of the Bill</u> (LC Paper Nos. CB(1)44/05-06(23) and (24))</p> <p>ALA3's briefing on her concerns and the Administration's responses</p>	
032406-032730	Chairman Administration Mr SIN Cheung-kai Mr Ronny TONG ALA3	Request for the Administration to provide draft proposed Committee Stage amendments in marked-up version before the next meeting to be held on 28 November 2005	The Administration to take action under paragraph 4 of the minutes