

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

Joint submission from:

- *Alternative Investment Management Association, Hong Kong Chapter
- *Capital Markets Tax Committee of Asia
- *Deloitte Touche Tohmatsu
- *Ernst & Young Tax Services Limited
- *Hong Kong Investment Funds Association
- *KPMG Tax Limited

Ms Connie SZETO
Clerk to Bills Committee

29 December, 2005

By Email: mleung@legco.gov.hk

Dear Ms Szeto,

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

Thank you for your letter of 6 December 2005 inviting us to comment on the Administration's proposed Committee Stage Amendments ("CSAs") drawn up in response to the deputations made to the Bills Committee meeting of 25 October 2005. Our organisations, would like to express our thanks to the Bills Committee for providing us with the opportunity to discuss the original Bill with its members. We would also like to thank the Administration for all their efforts.

We believe that the Administration has addressed the principal concerns of the fund management industry. We strongly recommend the Bill, as amended by the Administration's proposed CSAs, to your members. Our recommendation is for the Bill in its entirety. In this regard, we note that the proposed retrospective application of the exemption is of the utmost importance for the reasons outlined in our previous submissions. The Bill is a necessity for the continuance of a vibrant fund management industry in Hong Kong.

With best regards,

Chris Ingram, for Capital Markets Tax Committee of Asia
Christophe Lee, for Alternative Investment Management Association, Hong Kong Chapter
Sarah McGrath, for Deloitte Touche Tohmatsu
Florence Chan, for Ernst & Young Tax Services Limited
Elisabeth Scott, for Hong Kong Investment Funds Association
Darren Bowdern, for KPMG Tax Limited