

**立法會**  
**Legislative Council**

Ref : CB2/BC/10/04

LC Paper No. CB(2)2107/04-05  
(These minutes have been seen by  
the Administration)

**Bills Committee on  
Revenue (Abolition of Estate Duty) Bill 2005**

**Minutes of the meeting  
held on Monday, 6 June 2005 at 3:00 pm  
in the Chamber of the Legislative Council Building**

**Members present** : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Dr Hon David LI Kwok-po, GBS, JP  
Hon Margaret NG  
Hon Bernard CHAN, JP  
Hon CHAN Kam-lam, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon WONG Ting-kwong, BBS  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon Patrick LAU Sau-shing, SBS, JP  
Hon TAM Heung-man

**Members absent** : Hon James TIEN Pei-chun, GBS, JP  
Dr Hon LUI Ming-wah, JP  
Hon CHAN Yuen-han, JP  
Hon SIN Chung-kai, JP  
Hon Vincent FANG Kang, JP  
Hon LI Kwok-ying, MH

**Public Officers attending** : Mr Martin GLASS  
Deputy Secretary for Financial Services and the Treasury  
(Treasury)

Mr Ivanhoe CHANG  
Assistant Secretary for Financial Services and the Treasury  
(Treasury)

Mr K C KWOK  
Government Economist

Mr Stefan M GANNON  
Hong Kong Monetary Authority  
General Counsel/Executive Director

Ms Karen KEMP  
Hong Kong Monetary Authority  
Deputy General Counsel

Mrs Millie NG KIANG Mei-nei  
Principal Assistant Secretary for Financial Services and the  
Treasury (Financial Services)

Mrs Teresa CHU WONG Lai-fun  
Assistant Commissioner of Inland Revenue

Mr Allen NG  
Deputy Commissioner of Estate Duty of Inland Revenue

Mrs Nancy HUI  
Principal Assistant Secretary for Home Affairs

Mr Gilbert MO  
Deputy Law Draftsman  
Department of Justice

Ms Vicki LEE  
Senior Government Counsel  
Department of Justice

**Attendance by invitation** : The Chinese Manufacturers' Association of Hong Kong

Mr Peter HUNG  
Vice President

Mr Hilson YAN  
Senior Manager

Federation of Hong Kong Industries

Mr Kenneth TING  
Chairman

Mr Marcellus WONG  
General Committee Member

The Chinese General Chamber of Commerce

Mr Dickson WONG  
Committee Member

Hong Kong General Chamber of Commerce

Mr Anthony WU  
Vice-Chairman

Mr David O'REAR  
Chief Economist

Hong Kong Small and Medium Enterprises Association

Mr Simon SHI  
President

The Society of Trust and Estate Practitioners (Hong Kong)  
Limited

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Ms Susan COLLINS  
Chairman

Mr William AHERN  
Sub-Committee Chairman

The Hong Kong Shipowners Association Ltd.

Mr Alastair MACAULAY

Mr Arthur BOWRING

The Hong Kong Exporters' Association

Mr Vincent MA  
General Committee Member

Ms Shirley SO  
Secretariat Executive Director

The Law Society of Hong Kong

Mr Billy MA  
Council Member and Member of the Probate Committee

Mr William THOMSON  
Chairman, Revenue Law Committee

Citigroup Private Bank

Mr Terence CHEUNG Chiu-hang  
Director, Global Wealth Structuring

Morgan Stanley

Mr David SUTHERLAND  
Managing Director

UBS AG

Mr Henry LAM  
Executive Director

**Clerk in attendance** : Mrs Sharon TONG  
Chief Council Secretary (2)1

**Staff in attendance** : Ms Bernice WONG  
Assistant Legal Adviser 1

Mrs Eleanor CHOW  
Senior Council Secretary (2)4

Ms Alice CHEUNG  
Legislative Assistant (2)1

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**I. Meeting with deputations and the Administration**

(LC Paper Nos. CB(2)1817/04-05(01) to (02) and CB(2)1818/04-05(01) to (02))

The Bills Committee deliberated (index of proceedings attached at **Annex**).

2. The Bills Committee received its views from the following organisations on the Bill –

- (a) The Chinese Manufacturers' Association of Hong Kong;
- (b) Federation of Hong Kong Industries;
- (c) The Chinese General Chamber of Commerce;
- (d) Hong Kong General Chamber of Commerce;
- (e) Hong Kong Small and Medium Enterprises Association;
- (f) The Society of Trust and Estate Practitioners (Hong Kong) Limited (STEP);
- (g) The Hong Kong Shipowners Association Ltd;
- (h) The Hong Kong Exporters' Association;
- (i) The Law Society of Hong Kong;
- (j) Citigroup Private Bank;
- (k) Morgan Stanley; and
- (l) UBS AG.

3. The Bills Committee noted that the Law Society of Hong Kong took a neutral position on the policy of abolishing estate duty. Citigroup Private Bank considered that estate duty should be abolished progressively in Hong Kong. STEP opposed the abolition of estate duty, while the other nine organizations expressed support for abolishing estate duty.

4. The Bills Committee requested the Administration –

- (a) to provide information on practices in overseas jurisdictions which did not have estate duty, in particular whether a schedule of property was required;
- (b) to advise whether the Administration had consulted relevant parties (the Judiciary, Department of Justice, Law Society of Hong Kong, banks, etc.) on the new application procedures for grant of representation;
- (c) to explain the court procedures in respect of application for grant of representation after the abolition of estate duty; and
- (d) to provide information on the increase in asset management business and investment professionals in the asset management industry in Hong Kong and Singapore in the past three years.

*(Post-meeting note : The Administration's responses were issued to members vide LC Paper Nos. CB(2)1872/04-05(01) and 1875/04-05(02) on 8 June and 9 June 2005 respectively.)*

5. The Bills Committee agreed that academics of tertiary institutions be requested to provide past research studies on the impact of abolition of estate duty on the economy, if available.

*(Post-meeting note : Letters were sent to six tertiary institutions on 7 June 2005)*

## **II. Date of next meeting**

6. The Bills Committee noted that the next meeting would be held on 7 June 2005 at 10:45 am.
7. The meeting ended at 5:32 pm.

Council Business Division 2  
Legislative Council Secretariat  
27 June 2005

**Proceedings of the meeting of the  
Bills Committee on  
Revenue (Abolition of Estate Duty) Bill 2005  
on Monday, 6 June 2005 at 3:00 pm  
in the Chamber of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
000000 - 000701	Chairman	Opening remarks	
000702 - 001242	Representatives of The Chinese Manufacturers' Association of Hong Kong	Presentation of views (LC Paper Nos. CB(2)1789/04-05(01) and CB(2)1789/04-05(02))	
001243 - 001823	Representatives of Federation of Hong Kong Industries	Presentation of views (LC Paper No. CB(2)1843/04-05(02))	
001824 - 002118	Representatives of The Chinese General Chamber of Commerce	Presentation of views (LC Paper No. CB(2)1809/04-05(02))	
002119 - 002332	Representatives of Hong Kong General Chamber of Commerce	Presentation of views (LC Paper No. CB(2)1789/04-05(03))	
002333 - 002842	Representatives of Hong Kong Small and Medium Enterprises Association	Presentation of views (LC Paper No. CB(2)1789/04-05(04))	
002843 - 003431	Representatives of The Society of Trust and Estate Practitioners (Hong Kong) Limited	Presentation of views (LC Paper No. CB(2)1752/04-05(01))	
003432 - 003712	Representatives of The Hong Kong Shipowners Association Ltd.	Presentation of views (LC Paper No. CB(2)1789/04-05(05))	
003713 - 004020	Representatives of The Hong Kong Exporters' Association	Presentation of views (LC Paper No. CB(2)1789/04-05(06))	
004021 - 004405	Representatives of The Law Society of Hong Kong	Presentation of views (LC Paper No. CB(2)1752/04-05(03))	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
004406 - 004849	Representatives of Citigroup Private Bank	Presentation of views (LC Paper No. CB(2)1789/04-05(07))	
004850 - 005250	Representatives of Morgan Stanley	Presentation of views (LC Paper No. CB(2)1789/04-05(08))	
005251 - 005457	Representatives of UBS AG	Presentation of views (LC Paper No. CB(2)1886/04-05(01))	
005458 - 010025	Chairman Hon Margaret NG Hon TONG Ka-wah Admin Hon CHAN Kam-lam	Responses to be given by the Administration	
010026 - 010643	Admin Chairman	Administration's responses to the views of The Law Society of Hong Kong, The Society of Trust and Estate Practitioners (Hong Kong) Limited and The Hong Kong Shipowners Association Ltd.	
010644 - 011040	Hon Jeffrey LAM Representatives of The Society of Trust and Estate Practitioners (Hong Kong) Limited Chairman	Nature of business of The Society of Trust and Estate Practitioners (Hong Kong) Limited  Whether estate duty was a disincentive for people to invest in Hong Kong	
011041 - 011557	Hon TONG Ka-wah Representatives of The Hong Kong Shipowners Association Ltd.	Application of estate duty to shipowners whose ships were registered in or outside Hong Kong	



Time marker	Speaker	Subject(s)	Action Required
011558 - 012506	Hon Audrey EU Representatives of The Law Society of Hong Kong Chairman Admin	Safeguards to beneficiaries when estate duty was abolished  Practices in overseas jurisdictions which did not have estate duty, in particular whether a schedule of property was required	<b>The Admin to provide the requested information</b>
012507 - 013241	Hon LEE Cheuk-yan Representatives of Hong Kong Small and Medium Enterprises Association Chairman Admin	Whether the loss of revenue from the abolition of estate duty would be compensated by other means	
013242 - 013950	Hon Albert HO Representatives of The Law Society of Hong Kong	Change in application procedures for grant of representation as a result of the abolition of estate duty and the need to introduce measures to prevent intermeddling of estate  Practices in the United States and Canada requiring a schedule of property for clearance of estate duty  The need for the Law Society of Hong Kong to further discuss with the Administration on the new application procedures for grant of representation	

Time marker	Speaker	Subject(s)	Action Required
013951 - 015501	Hon Margaret NG Representatives of The Law Society of Hong Kong Representatives of Citigroup Private Bank Admin Chairman	Whether the Administration had consulted relevant parties on the new application procedures for grant of representation  Court procedures in respect of application for grant of representation after abolition of estate duty  Views from deputations on the new application procedures for grant of representation	<b>The Admin to provide the requested information</b>
015502 - 020209	Hon Andrew LEUNG Representatives of UBS AG Representatives of Morgan Stanley Representatives of Citigroup Private Bank	Impact of abolishing estate duty on the asset management business in Hong Kong	
020210 - 021050	Hon TONG Ka-wah Chairman Representatives of The Law Society of Hong Kong Representatives of The Society of Trust and Estate Practitioners (Hong Kong) Limited	Time taken to process application for grant of representation and clearance of estate duty	
021051 - 022132	Hon Audrey EU Representatives of The Chinese Manufacturers' Association of Hong Kong Representatives of Citigroup Private Bank	Factors contributing to foreign investment in Hong Kong  Type of people attracted to invest in Hong Kong as a result of the abolition of estate duty and the amount of investment generated  Comparison between Singapore and Hong Kong in respect of the volume of asset management business and investment professionals in the asset management industry	<b>The Admin to provide the requested information</b>

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
022133 - 022244	Hon TONG Ka-wah Chairman	The need to invite economists to explain the impact of abolition of estate duty on transfer of assets from one place to another	
022245 - 022539	Hon TAM Heung-man Chairman Representatives of UBS AG	The amount of capital transferred to Hong Kong as a result of abolition of estate duty	
022540 - 023131	Hon TONG Ka-wah Chairman Dr Hon Philip WONG Hon Audrey EU Hon Jeffrey LAM	Past research studies conducted by tertiary institutions on the impact of abolition of estate duty on the economy	<b>The Secretariat to request for a copy of research report</b>