

立法會
Legislative Council

Ref : CB2/BC/10/04

LC Paper No. CB(2) 2145/04-05
(These minutes have been seen by
the Administration)

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

**Minutes of the meeting
held on Tuesday, 7 June 2005 at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Margaret NG
Hon CHAN Kam-lam, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon TAM Heung-man

Members absent : Hon James TIEN Pei-chun, GBS, JP
Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, JP
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon SIN Chung-kai, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Kwok-ying, MH
Hon WONG Ting-kwong, BBS
Hon Patrick LAU Sau-shing, SBS, JP

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

Miss Erica NG
Principal 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

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

Staff in : Ms Bernice WONG

attendance Assistant Legal Adviser 1

Mrs Eleanor CHOW
Senior Council Secretary (2)4

I. Meeting with the Administration

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

2. The Bills Committee requested the Administration –

- (a) to respond to the points raised by the Assistant Legal Adviser about the need for consequential amendments to the Land Titles Ordinance and other ordinances which made reference to estate duty;
- (b) to advise on the views of the Department of Justice, the Judiciary and the Land Registry on the proposal of not requiring a schedule of property to be filed with an application for a grant of representation;
- (c) to explain the differences between estate duty, inheritance tax and capital transfer tax in the United Kingdom;
- (d) to advise on the legislative provisions protecting estate beneficiaries after the abolition of estate duty;
- (e) to consider the feasibility of adopting a zero-rating estate duty to replace the existing legislative approach;
- (f) to provide information on overseas countries which had abolished estate duty but retained a schedule of property;
- (g) to provide a summary of views of the consultation on estate duty conducted in 2004 and a list of organisations/individuals consulted;
- (h) to provide samples of “no-objection” letters issued by the Estate Duty Office to the bank concerned for release of money from the deceased’s account for funeral expenses and for maintenance and for inspection of the safe deposit box of the deceased; and
- (i) to consider the suggestion that the exercise of powers to authorise release of money for funeral expenses and for maintenance as well as to authorise the inspection of safe deposit box be included under the purview of the Administrative Appeals Board.

(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(01) & (02) on 8 June and 9 June 2005 respectively.)

II. Date of next meeting

3. The Bills Committee noted that the next meeting would be held on 9 June 2005 at 2:30 pm.
4. The meeting ended at 12:35 pm.

Council Business Division 2
Legislative Council Secretariat
29 June 2005

**Proceedings of the meeting of the
Bills Committee on
Revenue (Abolition of Estate Duty) Bill 2005
on Tuesday, 7 June 2005 at 10:45 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action Required
000000 - 000417	Chairman	Ordinances which made reference to estate duty and the need for consequential amendments	
000418 - 000620	ALA1 Chairman	Whether it was necessary to make consequential amendments under the Land Titles Ordinance and other ordinances which made reference to estate duty	Admin to respond to the concerns raised by ALA1
000621 - 001830	Hon Margaret NG Admin Chairman	Implications of the new application procedures for grant of representation on other legislation Consultation with the Department of Justice and the Judiciary on the proposal of not requiring a schedule of property to be filed with an application for a grant of representation and their responses	Admin to provide the requested information

Time marker	Speaker	Subject(s)	Action Required
001831 - 002919	Hon Albert HO Chairman Admin	<p>Existing procedures for applying grant of representation</p> <p>The unintended consequence of changing the application procedures for grant of representation after the abolition of estate duty</p> <p>The need for the new application procedures for grant of representation to provide safeguards to the parties concerned to prevent litigation</p> <p>The need for the Administration to discuss with the Law Society of Hong Kong on the application procedures for grant of representation after abolition of estate duty</p> <p>Whether the court fees relating to estate duty was a revenue to the court or the Treasury</p>	
002920 - 003440	Hon Margaret NG Admin Chairman	<p>Impact of the change in application procedures for grant of representation after abolition of estate duty on relevant parties</p> <p>Details of the consultation with the Judiciary in respect of the need to retain a schedule of property to be annexed to a grant of representation and the Judiciary's position</p> <p>Publicity to inform the public of the change in application procedures for grant of representation</p>	Admin to provide the requested information

Time marker	Speaker	Subject(s)	Action Required
003441 - 003854	Admin Chairman	Payment by installment Impact of abolition of estate duty on investment in overseas countries	
003855 - 004005	Hon LEE Cheuk-yan Admin	Countries which had abolished estate duty while imposed capital gains tax	
004006 - 005414	Chairman Hon Albert HO Admin	UK's estate duty, inheritance tax and capital transfer tax	Admin to provide the requested information
005415 - 005810	Hon LEE Cheuk-yan Admin Chairman	Purpose of the policy to abolish estate duty, i.e. whether it sought to shorten the processing time of the application procedures for grant of representation or to attract asset management business	
005811 - 010157	Hon TONG Ka-wah Admin Chairman	Legislative provisions to protect estate beneficiaries after abolition of estate duty	Admin to provide the requested information
010158 - 010906	Hon Albert HO Chairman Admin	The unintended consequence of changing the application procedures for grant of representation after the abolition of estate duty The need for the Administration to discuss with the Law Society of Hong Kong, the Judiciary and the Department of Justice on retaining a schedule of property after abolition of estate duty	

Time marker	Speaker	Subject(s)	Action Required
010907 - 011610	Hon Margaret NG Chairman Admin	<p>Representatives from the Legal Policy Division and the Judiciary to attend a Bills Committee meeting to explain how the new application procedures for grant of representation would be implemented</p> <p>Consultation with the Hong Kong Association of Banks and the Land Registry regarding the proposal of not requiring a schedule of property to be filed with an application for a grant of representation after abolition of estate duty and their responses</p> <p>The feasibility of adopting a zero-rating estate duty as an alternative legislative approach</p>	<p>Admin to provide the requested information relating to the Land Registry</p> <p>Admin to provide the requested information</p>
011611 - 011826	Hon Albert HO Admin	Means to uncover tax evasion cases after abolition of estate duty	
011827 - 012211	Hon Margaret NG Admin	<p>Overseas practices regarding schedule of property</p> <p>A summary of views of the consultation on estate duty conducted in 2004 and the parties consulted</p>	Admin to provide the requested information
012212 - 012817	Hon Audrey EU Admin Chairman	Reasons for changing the period for raising tax assessment on an executor from one year to three years	

