

HAB/CR/1/19/95 Pt. 24  
LS/B/20/06-07  
2869 9468  
2877 5029

Mrs Alice CHEUNG  
Prin AS(Home Affairs)(2)  
Home Affairs Bureau  
Division II  
31/F, Southorn Centre  
130 Hennessy Road  
Wan Chai  
Hong Kong

7 September 2007

**BY FAX**  
Fax No. : 2591 6002

Dear Mrs CHEUNG,

**Attachment of Income Order  
(Application to Government and Miscellaneous Amendments) Bill 2007**

We refer to your paper of September 2007 circulated to the Bills Committee vide LC Paper No. CB(2)2674/06-07(01). We would be grateful for your clarification of the following points.

Paragraph 3

The Administration is of the view that the AIO legislation does not apply to members of consular posts in Hong Kong due to the principle of state immunity. The Administration is also of the view that for certain staff if they are employed "through a local service company which may be (emphasis added) the income source for such staff". First, would there be circumstance in which a staff member is employed through a local service company which may not be the income source for such staff? Secondly, does the AIO legislation apply to a member of the consulate (who does not occupy the consular post) but is paid by the foreign government?

Paragraph 4

Does it mean that an overseas company (for example IBM) is regarded as an income source of its Hong Kong employee so that the overseas company is subject to an AIO? If so, how does the Hong Kong court enforce the AIO if the overseas company is in default?

It is appreciated that your reply in both languages could reach us before the next Bills Committee's meeting to be held on 11 September 2007.

Yours sincerely,

(Stephen LAM)  
Assistant Legal Adviser

c.c. DoJ (Attn : Ms Phyllis POON, GC) (Fax : 2869 1302)  
LA  
SALA1  
CCS(2)4