

財經事務及庫務局



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FINANCIAL SERVICES AND THE
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3 January 2019

Clerk to the Panel on Financial Affairs
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Miss Sharon Lo)

Dear Miss Lo,

**Government's response on a submission regarding
the Companies Registry Trading Fund**

I refer to your email of 12 December 2018 which conveyed a submission from Mr David Webb to the Panel on Financial Affairs regarding the Companies Registry Trading Fund ("CRTF").

In the light of the Court of Final Appeal ("CFA") judgment in relation to the Office of the Communications Authority Trading Fund on 27 December 2017, the Government has correspondingly revised the financial management policies of the trading funds. Specifically, with effect from 2017-18 financial year, notional profits tax would not be charged against the trading funds, and no dividend would be paid by trading funds into the general revenue. Accordingly, CRTF no longer takes into account notional profits tax and dividend (excluding the target return as determined by the Financial Secretary under section 6(6)(c) of the Trading Funds Ordinance ("TFO")) in preparing its budget. This is in line with the CFA judgment.

CRTF is undertaking a fee review and will inform this Panel of the outcome in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Louie Ng', with a stylized flourish at the end.

(Louie Ng)
for Secretary for Financial Services
and the Treasury