



To: taxreform@fstb.gov.hk  
cc:  
Subject: Re: GST Proposal

02/12/2006 14:48

Urgent

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Dear Hon. Mr. Henry Tang,

To respond to your call for proposals, I would like to make the following comments:

- i. The Government has not exhaust its existing resources to enable the stability of the Revenue;
- ii. There is tremendous costs being involved in the collection process and whether the efficiency and effectiveness may be in doubt; and
- iii. It discourages consumption.

For broadening the tax base, I would like to make the following suggestions:

- i. Initiate the collection of 'Withholding Tax' on all financial instruments; and
- ii. Consider the collection of 'Tobin Tax', the proceeds can contribute towards the Commission for Poverty.

Please note that the above proposals of new taxes had been forwarded to the Hong Kong Institute of Certified Public Accountants during its forum on the same subject in early September, 2006 and Hon. Miss Mandy Tam had also been informed of the same proposals.

I commit to the future of Hong Kong and wish that the Government aims at the same direction in building a prosperous and harmony society.

With best regards,

Simon Tsao

FCCA, CPA Practising