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To: <taxreform@fstb.gov.hk>  
cc:  
Subject: Tax Reform Opinion

Dear government,

I strongly object the idea to have the sales tax in Hong Kong.

Hong Kong as in competitions with China and Asia and also the world already have been told costs are expensive here. And if on top of that to provide sales tax, not only it complicates our system of sales, trading, export, import, transshipment. But also it's like to ask our investors to go to other places to invest, and seems to me Hong Kong nowadays do not have much of advantage compare to our Asian competitors.

There is no guarantee that the installation of sales tax in Hong Kong can improve the economic and solve the problem of government income. Especially in a city like Hong Kong, which rely solely on the manpower of people, service industry and trading, where our cost & the simplicity of our financial system become the major competitive advantage in the world. and we do not have core own export / import natural resource products to provide the base of such tax, installation of sales tax most probably can bring more damage than goods to economy of the society and this damage could affect Hong Kong in a very long term effect.

However, I agree on sales tax on luxury items, like jewelries, high fashion products, etc., which the items to be considered unnecessary and highly expensive, of course the definition of luxury items depends on the government and the price ranges of such products and in this case. the sales tax will provide the minimum damage to the general public.

Also in this stage, while still a big population of people asking for social benefits, it means that the problem of poverty is still there. Before this problem to be solved, in this case, such kind of changes will not be accepted by general public.

Moreover, during the time which we think our asset (government money) still not used wisely and there are many expense of the government which are not yet minimized or not fairly used. For example the rebuild of government building using trillion of dollars., giving financial benefits to people without proper verification or monitoring systems, ends up many people is cheating government money.

The citizens in Hong Kong mostly nowadays thinks we pay tax for nothing, in what sense does increasing sales tax will provide benefit to us? and is it really worth the risk to lose Hong Kong competitive edge to the world, after all, it is what we got now.

Bryan Lee Lap Kan