



2006/07/19 09:22 AM

 Urgent Return Receipt

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

I strongly object the implementation of GST in Hong Kong for the following reasons:

1. GST makes our tax system complicated, which will discourage foreign investments.
2. The administration costs for running such tax are high. Companies need to hire more staff to meet the new requirements. The efficiency and effectiveness of imposing such tax is questionable.
3. With a stable source of income, the government will have no incentive to enhance its efficiency or control its costs. On the other hand, it encourages the government to expand without constraint.
4. GST encourages people to spend more in the mainland China and less in Hong Kong. It may lead to higher unemployment rate, especially for small traders.

Regards,
Lee (Mr.)