



Tobacco Association of Hong Kong  
香港煙草業聯會

4<sup>th</sup> August 2006

Tax Reform  
Financial Services and the Treasury Bureau  
4/F, Main Wing, Central Government Offices  
Lower Albert Road, Central, Hong Kong

Fax: 2868 5641

Attn: Tax Reform

Dear Sir/Madam,

The Tobacco Association of Hong Kong (“TAHK”) is aware that the HKSAR Government has recently launched a public consultation relating to reforms to our tax system and the introduction of Goods and Services Tax (“GST”). As we share the view that this is an important issue that will affect the community and business sectors as a whole, we are currently reviewing the consultation document with an aim to contribute to this vital discussion.

The consultation document sets out that certain indirect taxes would be adjusted following the introduction of a GST to reduce economic distortion and revitalize competitiveness. However, it is much to our surprise that tobacco tax is being left out from the list of proposed indirect tax adjustments which include such items as duty on liquor, petrol, diesel and aircraft fuel.

We would therefore like to seek clarification with regard to the proposed treatment of excise duty on tobacco products corresponding to the introduction of GST, which has not been addressed in the consultation document. Only with this information could we study the impact of GST on the tobacco industry and contribute to the public discussion with our views.

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We look forward to hearing from you soon. In the meantime, please feel free to contact me at 3656-1283 or via email at [philip\\_ho@bat.com](mailto:philip_ho@bat.com).

Yours sincerely,

(Signed)

Philip Ho

Executive Secretary

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**About Tobacco Association of Hong Kong**

The Tobacco Association of Hong Kong was established in 2005 by major participants from the tobacco and related industries who are committed to a collective industry effort to address tobacco-related issues. Founding members are British-American Tobacco Company (HK) Ltd., Japan Tobacco Inc., The Pacific Cigar Company Limited, and SUTL Corporation (Hong Kong) Limited.

The Association is committed to establishing an ongoing, constructive working relationship and dialogues with the Government and other key stakeholders, and drives the Hong Kong tobacco industry to continuously support important tobacco related issues including youth smoking prevention and anti-illicit cigarette initiative.