



August 8, 2006

**Tax Reform**

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

RE: GST Consultation

With regard to the consultation on Goods and Services Tax (GST), we write to express our strong **opposition** to the proposal.

We believe that GST definitely complicates the current tax system. It will cause huge capital costs and operating costs to Government and commercial sectors, as well as expenses and disturbance to all walks of life in Hong Kong.

Imposition of GST will discourage domestic and tourists' consumption, increase inflation, tarnish Hong Kong's reputation as 'Shopping Paradise', destroy Hong Kong's low and simple tax system, and thus lose our competitive edge. GST will definitely bring great negative impact to our economy.

To maintain Hong Kong's unique advantage of having low and simple tax system,  
**WE STRONGLY OPPOSE TO GST.**

Yours faithfully,

Bentwood Limited

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