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 Urgent  
 Return Receipt

To: "taxreform@fstb.gov.hk" <taxreform@fstb.gov.hk>  
 cc:  
 Subject: Objection to Tax Reform

Date: 7 September, 2006

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

Dear Sirs,

Re.: Objection to Tax Reform

Without doubt, I object with the proposed tax reform regarding the GST on the ground that I think the Government should strictly follow the basis principal "To control the government costs before the souring for the new tax".

In the past years, the Government has increased the profits tax and salaries tax by the reason of the deficits. But I do not think that the Government has taken the equal and strong acts in cutting her own costs, in particular the bulk burden of the public servants costs (which is unreasonable and unbelievable high for such a small city). Only seeking for rearch and rearch, negotiation and negotiation, delay and delay, but howmuch the actual financial effects on the this particluar costs cutting.

Now, the economy has recovered to a certain extent. The Government has not even considered to decrease the previously increased profits tax and salaries tax. But only taking very active and effective roles in the "5 days work" for public servants, there should be surely no objection from the public servants, as it just equivalents to the increase of their salaries indirectly. As a result, in the near future, I believe that the various Government Departments shall recurite more staffs and workers and hence increase the Government costs.

Even the Government shall temporarily decrease the profits tax or salaries tax or rates, as the results of the introduction of GST. But there is no guarantee that the Government will one day increase such tax (salaries tax, profits tax and GST), if the Government costs are still out of control. The proposed decrease of other direct taxes may be just temporary and misleading, and the final loser will be our tax payers.

"I hope the Government should first control the budget and cost, before the consideration of the new sources of tax."

In addition, the introduction of GST will cause both the administration and financial burdens on the SME, which is disadvantage to the local economy. Nowaday, the environment of most SME and the medium class people and professional is still very difficult.

Otherwise, if the Government do insist, I think she may be challenged by another "500,000 people walking into the street" against such unjustified and unfair act. And I shall be one of them and vote against the new Government.

I do hope Mr. Tsang and Mr. Tong should focus on the economy issues and

stable society, and what HK people  
really need.

Yours faithfully,

Raymond Wong