



16 October 2006

Our Ref.: C/GST, M43742

The Hon. Henry Tang, G.B.S., J.P.,  
Financial Secretary  
The Government of the Hong Kong SAR  
12/F, West Wing  
Central Government Offices  
Lower Albert Road, Hong Kong

Dear Mr. Tang,

**Re: GST Consultation**

We note that a motion opposing the introduction of a goods and services tax and, we understand, proposing that the current consultation exercise should be stopped, will be debated at the Legislative Council meeting on 18 October 2006.

The Hong Kong Institute of Certified Public Accountants would like to put on record its support for continuing and completing the consultation exercise as scheduled.

The issue of whether Hong Kong should introduce a goods and services tax has been raised on a number of occasions over more than a decade. We believe that it is important that the community should now study and debate this issue and consider the kind of public services and tax system that Hong Kong requires to sustain its future prosperity and wellbeing. This process is now under way and, in our view, it would be a mistake to call a halt to it.

The Institute itself is studying the issue of a goods and services tax and will be formulating its response to the government's consultation document, "Broadening the Tax Base, Ensuring our Future Prosperity – What's the Best Option for Hong Kong?". Other professional and trade bodies and individuals will no doubt be in the same position.

We would urge the government to continue with this consultation so that all members of the community can be heard and a conclusion can be reached that is based on the broadest possible response to this very important issue.

Yours sincerely,

(Signed)

Winnie C.W. Cheung  
Chief Executive & Registrar

WCC/PMT/ay

c.c. President of the Legislative Council, Hon. Mrs. Rita Fan Hsu Lai-tai, GBS, JP

b.c.c. Secretary for Financial Services and the Treasury, Mr. Frederick Ma  
Permanent Secretary for Financial Services and the Treasury (Treasury),  
Mr. Alan N. Lai

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