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cc:

Subject: Broadening the Tax Base Consultation

Regarding the subject consultation, I have the following feedback :

1. Broadening the Tax Base / Increasing Government Income

The HKSAR should consider ways to :

* Reduce the current income-gap between the wealthy and the poorer so that the poorer group can earn more and pay more tax. The gap between the wealthy and the poor has been getting worse and HK is now one of the worst countries in the world in terms of this aspect.

* Identify more proactive, while still prudent investment opportunities to enhance the return of the HK foreign exchange reserve fund.

In the past years, the fund largely underperformed compared with our peer competitor - Singapore.

* Reduce wastage - equivalent to increasing the government's income, there are plenty opportunities of the government to reduce its wastage by improving the work efficiency, streamlining the cumbersome work process/procedures, promote the commercial mindedness of all civil servants and better utilisation of resources - the performance of the HKSAR in all these areas, to me, has been very poor.

2. GST

* I am against the GST as it is unfair to the poorer group whose general goods & services expenses play a major proportion of their income. The GST will further pull down their living standard or discourage their spending intentions.

* The GST will reduce the competitiveness of HK in terms of a tourist centre.

* As the result of GST, some counter-balancing tax relief / benefits / policies will complicate the existing simple tax system of HK which will also reduce the competitiveness of HK in terms of attracting foreign investors.

* The large amount of GST related administrative efforts and expenses simply does not worth it.

Regards,
Alex Shum