

Press Release

Summit on New Directions for Taxation held today (with photos)

Monday, October 23, 2017

The Government held the Summit on New Directions for Taxation today (October 23). Attended by more than 400 participants, the Summit is an initiative of the current-term Government in gauging views from stakeholders for formulating forward-looking tax policies and measures for fostering economic development.

The Chief Executive, Mrs Carrie Lam, delivered the opening remarks. She said, "On the premise of ensuring the health of public finance, the Special Administrative Region Government should adopt forward-looking and strategic financial management principles in wisely using our accumulated fiscal surpluses, which are wealth derived from the community, to benefit the community."

In the 2017 Policy Address, Mrs Lam announced two tax measures, namely the two-tier profits tax rates regime and enhanced deduction for research and development expenditure. Mrs Lam called on the participants of the Summit to propose tax measures which would further promote the economic development of Hong Kong.

Speaking also at the Summit, the Financial Secretary, Mr Paul Chan, elaborated on the tax measures launched by the Government in recent years, such as the tax incentives for promoting development of the financial sector and aircraft leasing business, as well as the two-tiered profits tax rates regime and enhanced tax deduction for research and development expenditure. He used these examples to highlight the underlying principles in considering different tax policies and measures. He remarked that the relevant measures should be targeted, be able to generate economic and social benefits and allow Hong Kong to maintain the existing simple and low tax regime, and be able to meet international tax standards.

The Director of the Centre for Tax Policy and Administration of the Organisation for Economic Co-operation and Development, Mr Pascal Saint-Amans, and the Ralph and Claire Landau Professor of Economics at the Lau Chor Tak Institute of Global Economics and Finance of the Chinese

University of Hong Kong, Professor Lawrence Lau, were the two other keynote speakers of the Summit. They shed light on the latest developments on international tax co-operation and the relationship between taxation and Hong Kong's economic growth respectively.

The Summit also featured two panel-cum-floor discussion sessions on tax initiatives for reinforcing pillar industries and promoting the development of a diversified economy. Leaders from the business sector and the tax profession shared insights and exchanged views with other participants on relevant tax issues.

The Secretary for Financial Services and the Treasury, Mr James Lau, in his concluding remarks thanked the participants for the range of ideas they had put forward. He said that the lively discussion presented useful reference for the Government in future in tax policy formulation. The Tax Policy Unit of the Bureau would continue to work with other bureaux and stakeholders to look into tax measures that promote the territory's economic development.

Ends









