

# Newsletter

April 2024 年 4 月

- CSA
- CPAnywhere
- AML for CSA

P & L Associates

通訊·聯繫

## Inside this Issue 本期內容：

### [CSA](#)

- Application to CR for Disclosure of Protected Information of Directors etc. by Specified Persons  
指明人士向 CR 申請披露董事等的受保護資料

### [AML for CSA](#)

- Request for a Compliance Manual by CR Inspector  
CR 審查員要求提供合規手冊
- Why do you need your own Compliance Manual?  
為什麼您需要有自己的合規手冊？

### [CPAnywhere](#)

- Program Update: The Accrued Vacation after a Staff gets Promoted  
程式更新：職員晉升後的累積假期

### [General Interest 產品以外](#)

- Get the Fear Out of Sales Tax

### [Join Our Team 人才招聘](#)

- System Support Specialist (系統支援專員)
- Software Engineer (軟件工程師)



CSA: the Company Secretarial Software  
公司秘書專業軟件

## Application to CR for Disclosure of Protected Information of Directors etc. by Specified Persons

指明人士向 CR 申請披露董事等的受保護資料

Background  
背景

Since the implementation of Phase 2 of the New Inspection Regime on 24 October 2022, usual residential addresses and full identification numbers of individual directors (and some other capacities) are treated as protected information on CR's records, thus usual residential addresses and full identification numbers reported in CR forms filed on and after that date were replaced by correspondence addresses and partial identification numbers.

自 2022 年 10 月 24 日實施新查冊安排的第二階段以來，個人董事（以及另外一些身份）的通常住址和完整身份識別號碼被視為 CR 記錄中的受保護資料；因此在該日期及之後提交的 CR 表格中申報的通常住址和完整身份識別號碼已替換為通訊地址及部分識別號碼。

However, starting from the commencement of Phase 3 of the New Inspection Regime on 27 December 2023, persons specified by sections 8 and 12 of the [Companies \(Residential Addresses and Identification Numbers\) Regulation](#) (cap.622N) may, for the purpose of the performance of their functions, make an application to the Registrar of Companies for the disclosure of such protected information. The said persons specified by the Regulation are collectively referred to as "Specified Persons".

然而，隨著 2023 年 12 月 27 日實施新查冊安排的第 3 階段起，《公司 (住址及身分識別號碼) 規例》(第 622N 章) 第 8 及 12 條所指明的人士，可為履行其職能，向公司註冊處處長申請披露此類受保護資料。上述規例指明的人士被統稱為「指明人士」。

## (A) Who can apply?

誰人可以申請？

The Applicant must be a Specified Person. For convenient purposes, Specified Persons are grouped into 4 categories:

申請人必須是指明人士。為方便說明，我們將指明人士分為四類：

- Category 1  
第一類
- The Data Subject (i.e. the “owner” of the data) himself or herself  
資料當事人 (即資料的 “所有者”)
  - A person authorized in writing by the Data Subject  
獲資料當事人書面授權的人
  - A Member of the Data Subject’s company  
資料當事人所屬公司的成員
- Category 2  
第二類
- A Liquidator or a Provisional Liquidator (Companies (Winding Up and Miscellaneous Provisions) Ordinance)  
清盤人或臨時清盤人 (公司 (清盤及雜項條文) 條例)
  - A Trustee in Bankruptcy (Bankruptcy Ordinance)  
破產案受託人 (破產條例)
  - A Public Officer or a Public Body  
公職人員或公共機構
- (or) one of the following Scheduled Persons:  
(或) 下列其中一種 表列人士
- An Inspector as defined by section 838(1) of the Companies Ordinance  
由《公司條例》第 838(1)條所界定的 審查員
  - An Inspector appointed under section 95(1) of the Trustee Ordinance  
根據《受託人條例》第 95(1)條委任的 視察員
  - A Recognized Clearing House, Recognized Exchange Company, Recognized Exchange Controller, or Recognized Investor Compensation Company (Securities and Futures Ordinance)  
認可結算所、認可交易所、認可控制人或認可投資者賠償公司 (證券及期貨條例)
  - A person directed or appointed to investigate any matter under section 11(1) of the “Anti-Money Laundering and Counter-Terrorist Financing Ordinance” (“AML/CTF Ordinance”).  
根據《打擊洗錢及恐怖分子資金籌集條例》(“AML/CTF 條例”) 第 11(1)條 獲指示或委任調查任何事宜的人。
- Category 3  
第三類
- A Solicitor or a Foreign Lawyer (Legal Practitioners Ordinance)  
律師或外地律師 (法律執業者條例)
  - A Certified Public Accountant (Practising) (Accounting and Financial Reporting Council Ordinance)  
執業會計師 (會計及財務匯報局條例)
- (or) one of the following Financial Institutions within the meaning of section 1 of Part 2 of Schedule 1 to the AML/CTF Ordinance:  
(或) 下列其中一種在 AML/CTF 條例附表 1 第 2 部第 1 條所指的 金融機構

- A Licensed Corporation (Securities and Futures Ordinance)  
持牌法團 (證券及期貨條例)
- An Authorized Insurer, a Licensed Individual Insurance Agent, a Licensed Insurance Agency, or a Licensed Insurance Broker Company (Insurance Ordinance)  
獲授權保險人、持牌個人保險代理、持牌保險代理機構或持牌保險經紀公司 (保險業條例)
- A Licensed Money Service Operator (AML/CTF Ordinance)  
持牌金錢服務經營者 (AML/CTF 條例)
- The Postmaster General  
郵政署署長
- A Stored Value Facilities Licensee (Payment Systems and Stored Value Facilities Ordinance)  
儲值支付工具持牌人 (支付系統及儲值支付工具條例)
- A Licensed Virtual Asset Service Provider (AML/CTF Ordinance)  
持牌虛擬資產服務提供者 (AML/CTF 條例)

(or) one of the following Designated Non-Financial Businesses and Professions (“DNFBP”) as described by [FATF \(Financial Action Task Force on Money Laundering\)](#) and within the meaning of section 1 of Part 2 of Schedule 1 to the AML/CTF Ordinance:  
(或) 下列其中一種根據 [FATF \(反洗錢金融行動特別工作組\)](#) 所描述而在 AML/CTF 條例附表 1 第 2 部第 1 條所指的 指定非金融業人士

- An Accounting Professional (Professional Accountants Ordinance and Accounting and Financial Reporting Council Ordinance)  
會計專業人士 (專業會計師條例及會計及財務匯報局條例)
- An Estate Agent (Estate Agents Ordinance)  
地產代理 (地產代理條例)
- A Legal Professional (Legal Practitioners Ordinance)  
法律專業人士 (法律執業者條例)
- A TCSP Licensee (or a deemed licensee) (AML/CTF Ordinance)  
信託或公司服務持牌人 (或被當作持牌人者) (AML/CTF 條例)
- A Category B Precious Metals and Stones Registrant (or a deemed registrant) (AML/CTF Ordinance)  
貴金屬及寶石 B 類註冊人 (或被當作註冊人者) (AML/CTF 條例)

Category 4    An Authorized Institution as defined by section 2(1) of the Banking Ordinance  
第四類    根據《銀行業條例》第 2(1)條所界定的 認可機構。

## **(B) How to Apply** 如何申請

Depending on the category of the Specified Person, applications can be made:

- by submitting paper forms PS1, PS2, or PS3, as the case may be, to CR; or
- through the “e-Services Portal” of CR.

視乎指明人士的類別，申請人可以：

- 向 CR 提交紙本表格 PS1、PS2 或 PS3 (視情況而定)；或
- 透過 CR 的「電子服務網站」提出申請。

**Method 1 One-time Application in Paper Form****方法一 以紙本形式一次性申請**

Any Specified Persons can apply through this method. The application should be submitted by using one of the following specified forms:

任何指明人士均可以透過此方法進行申請。申請須使用下列指明表格之一提交：

- Form PS1: Application for Disclosure of Withheld Information / Protected Information (By data subject / person authorized in writing by a data subject / member of the data subject's company)  
表格 PS1：申請披露不提供的資料 / 受保護資料 (由資料當事人 / 獲資料當事人書面授權的人 / 資料當事人所屬公司的成員提出)
- Form PS2: Application for Disclosure of Withheld Information / Protected Information (By liquidator / trustee in bankruptcy / public officer or public body / scheduled person)  
表格 PS2：申請披露不提供的資料 / 受保護資料 (由清盤人 / 破產案受託人 / 公職人員或公共機構 / 表列人士提出)
- Form PS3: Application for Disclosure of Withheld Information / Protected Information (By solicitor or foreign lawyer / certified public accountant (practising) / financial institution or DNFBP)  
表格 PS3：申請披露不提供的資料 / 受保護資料 (由律師或外地律師 / 執業會計師 / 金融機構或指定非金融業人士提出)

The following table illustrates the relationship between the Forms and the categories of Specified Persons and their applicability to the Schedules.

下表說明各表格與指明人士類別之間的關係及其對附表的適用性。

Form 表格	Category 類別	Schedule 1 附表一	Schedule 2 附表二	Schedule 3 附表三	Schedule 4 附表四
PS1	1	data subject 資料當事人	person authorized in writing by a data subject 獲資料當事人 書面授權的人	member of the data subject's company 資料當事人所 屬公司的成員	--
PS2	2	liquidator 清盤人	trustee in bankruptcy 破產案受託人	public officer or public body 公職人員或公 共機構	scheduled person 表列人士
PS3	3, 4	solicitor or foreign lawyer 律師或外地律 師	certified public accountant (practising) 執業會計師	financial institution or DNFBP 金融機構或指 定非金融業人 士	authorized institution 認可機構

The paper forms are available by way of “blank form” in CSA.

這些表格已在 CSA 中以「空白文件」的形式提供。

**Method 2 One-time Online Application****方法二 在網上一次性申請**

Only the Specified Persons under “Category 1” above can apply through this method.

Applications can be made through the “e-Services Portal” of CR at:

只有屬於上述“第一類”的指明人士才可以透過此方法進行申請。申請可以在下述 CR 的「電子服務網站」提出：

[www.e-services.cr.gov.hk](http://www.e-services.cr.gov.hk)

Method 3 **Online Application via User Account**  
方法三 **透過用戶帳戶在網上申請**

All Specified Persons other than those under “Category 1” can make an application on the “e-Services Portal” through a User Account with a subscription to the “Withheld Information / Protected Information Search Services” (“WI/PI Search Services”).

除“第 1 類”之外的所有指明人士均可透過訂閱「不提供的資料 / 受保護資料查冊服務」(WI/PI 查冊服務) 的用戶帳戶在「電子服務網站」進行申請。

A designated Specified Person being a natural person can apply online directly through his or her User Account. A designated Specified Person not being a natural person will need to have an Authorised Representative appointed by it to make an online application through the Authorised Representative’s User Account with a subscription to the WI/PI Search Services

屬自然人的特定指明人士可透過其用戶帳戶在網上直接申請。屬非自然人的特定指明人士，則須經獲授權代表透過其已訂用 WI/PI 查冊服務的用戶帳戶在網上提出申請。

To subscribe to the WI/PI Search Services, you must first be a registered user of the “e-Services Portal”.

要訂閱 WI/PI 查冊服務，您必須首先成為「電子服務網站」的註冊用戶。

**(C) Supporting Documents**  
**證明文件**

The following supporting documents are required to be accompanied with all one-time applications, be that by online or paper form:

所有一次性申請（無論是以線上或紙本申請）都必須附上以下證明文件：

- Identification document of the applicant, and in case of the applicant not being a natural person together with the identification documents of its Authorised Representative who is a natural person.  
申請人的身分證明文件，如申請人並非自然人，則須連同其屬自然人的獲授權代表的身分證明文件。
- Documents evidencing the capacity of the applicant as a Specified Person.  
能證明申請人具某一類指明人士資格的文件。

The supporting documents should be certified as true copies by a notary public, a solicitor, a certified public accountant (practising), an authorized officer of the court, a professional company secretary, a consular officer of the applicant’s home country (in case the applicant is a non-Hong Kong resident), or the authority or body which issues the document.

證明文件須由下列人員之一核證為真實副本：公證人、律師、執業會計師、獲授權的法院人員、專業公司秘書、申請人所屬國家的領事館官員（如申請人並非香港居民），或發出該文件的機關或機構。

## (D) Required Fees

### 所需費用

A fee of \$10 is required for each application made by a specified person from “Category 3” or “Category 4”. Specified persons from other categories are exempted from the fees.

如提出申請的指明人士屬“第三類”或“第四類”，須就每次申請繳付 \$10 的費用。其餘類別的指明人士則可獲豁免繳費。



## CPAnywhere: Professional Practice Management System 執業管理系統

### Program Update: The Accrued Vacation after a Staff gets Promoted

#### 程式更新：職員晉升後的累積假期

A user had reported to us that there may be an overlooking in the automatic calculation of the accrued vacation in the system. This situation may occur when:

有用戶反映，在下列情況下，系統在自動計算累積年假時可能出現疏失：

- (1) The vacation accrual policy is based on the job level.  
年假政策依職級計算。
- (2) The staff gets promoted with a different set of vacation accrual policies.  
職員晉升後另有一套年假累積政策。
- (3) There is an incremental increase in vacation time.  
逐年增加年假日數。

The result is that the accrued vacation for the staff being promoted may be overstated because the employment date is treated also as the beginning of the promotion date.

結果是，被晉升的職員的應計年假可能被多算了，因為僱用日期同時被視為晉升日期的開始。

We have corrected the problem and reinstated the vacation time to the correct one. For all CPAnywhere users, especially the ones who hosted their own data servers at their locations, please update the program to the newest one to reflect the correct computation.

我們已修正該問題，並將累積年假計算成正確的日數。請所有 CPAnywhere 用戶，尤其是將資料庫儲存在自己的資料伺服器內的用戶，更新程式到最新版本以反映正確的計算。

We do thank you for the report of the user.

我們非常感謝該用戶的報告。





## AML for CSA

(為遵從打擊洗錢及恐怖分子資金籌集的規定)

### Request for a Compliance Manual by CR Inspector

#### CR 審查員要求提供合規手冊

Recently during a routine inspection of a TCSP licensee who is one of our system users, the inspector from CR requested a copy of the AML/CTF Compliance Manual (the “Manual”) for examination. After careful examination, the inspector suggested certain changes to the Manual to include the recent amendments to the [Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Trust or Company Service Providers](#) (the “Guideline”). We have followed their recommendations and made the following updates to the Compliance Manual which is part of the AML for CSA system:

最近，我們一位系統用戶在接受對 TCSP 持牌人的例行審查時，CR 審查員要求提供一份 AML/CTF 合規手冊（下稱「手冊」）以供審閱。經過認真審閱後，審查員建議對該手冊進行若干修改，以納入《[信託或公司服務提供者遵從打擊洗錢及恐怖分子資金籌集規定的指引](#)》（下稱「指引」）的最新修訂。我們遵循了他們的建議，並對作為 AML for CSA 系統一部分的合規手冊進行了下列更新：

#### Risk Assessment

##### 風險評估

- Update the current high-risk country lists from [FATF \(Financial Action Task Force on Money Laundering\)](#) like the recently added Kenya and Namibia. 更新 [FATF \(反洗錢金融行動特別工作組\)](#) 目前的高風險國家名單，例如最近添加的肯亞和納米比亞。

#### Customer Due Diligence (“CDD”) Measures

##### 客戶盡職審查 (CDD) 措施

- The licensee needs to state the system used. In this case, the licensee needs to state that “AML for CSA” is adopted for conducting name scan and background screening **on clients** against designated lists of terrorists and sanctions, and the use of PEP Private or Google search for politically exposed persons (“PEP”). 持牌人需要說明所使用的系統。在本情況下，持牌人需註明是採用 “AML for CSA”，根據所指定的恐怖分子和制裁清單對客戶進行姓名查核和背景調查，並使用 PEP Private 或 Google 搜尋以判別是否政治人物 (PEP)。
- The Manual needs to include the situation in applying Enhanced Customer Due Diligence (“EDD”) and relevant measures to be taken. 手冊需要包含在何種情況下應用嚴格盡職審查 (EDD) 以及將會採取的相關措施。
- If the licensee does not accept a client based on the situations that arise from paragraph 5.27# of the Guideline, the licensee should apply additional measures or EDD as set out in paragraphs 5.29 to 5.52. 若持牌人因本指引第 5.27 段#出現的情況而不接納某客戶，則持牌人應採取第 5.29 至 5.52 段中規定的額外措施或 EDD。

# The situations stipulated in paragraph 5.27 include the following:

第 5.27 段規定的情況包括以下幾種：

- (a) customer not physically present for identification purposes;  
客戶沒有為身分識別的目的而現身；
- (b) customer or its beneficial owner being a PEP;  
客戶或其實益擁有人是 PEP；
- (c) corporate customer which has issued bearer shares;  
已發行持票人股份的法團客戶；
- (d) customer from or transaction connected with a jurisdiction identified by the FATF as having strategic AML/CTF deficiencies; and  
來自被 FATF 識別為在 AML/CTF 方面存在策略性缺失的司法管轄區的客戶，或與該等司法管轄區有關連的交易；及
- (e) any situation specified by the Registrar of Companies in a notice given to the TCSP licensee.  
公司註冊處處長在發給 TCSP 持牌人的通知中所指明的任何情況。

- The Manual needs to include the legal definition of PEPs.  
手冊需要包含 PEP 的法律定義。

### **Ongoing Monitoring of Customers**

#### **持續對客戶進行監察**

- The Manual needs to mention the steps and procedures for ongoing monitoring.  
手冊需要提及持續監察的步驟及程序。
- The Manual needs to mention the periodic review like the frequency of conducting reviews and different kinds of CDD on customers with Low / Medium / High risk.  
手冊需要提及定期審查，例如對低 / 中 / 高風險客戶進行審查的頻率和不同類型的 CDD。

### **Suspicious Transaction Reporting**

#### **可疑交易舉報**

- When the licensee encounters a suspicious transaction, it has the duty to create a suspicious transaction report and have it sent to the Joint Financial Intelligence Unit.  
遇有可疑交易時，持牌人有責任建立可疑交易報告並將其發送至聯合財富情報組。
- The licensee should avoid tipping-off incidents to occur.  
持牌人應防範發生通風報訊的情況。

### **Record Keeping**

#### **備存紀錄**

- The licensee needs to adopt the table in paragraph 9.3 of the Guideline.  
持牌人需要採用指引第 9.3 段的表格。

### **Employees Screening Procedures**

#### **僱員甄選程序**

- The licensee needs to state the system used. In this case, the licensee needs to state that “AML for CSA” is adopted for conducting name scan and background screening **on employees** against designated lists of terrorists, sanctions, and PEPs at the recruitment stage and on an ongoing basis.



持牌人需要說明所使用的系統。在本情況下，持牌人需註明是採用“AML for CSA”，根據所指定的恐怖分子、制裁和 PEP 清單對僱員進行姓名查核和背景調查。該程序應在招募階段及僱用後持續進行。

## Independent Audit Function

### 獨立審計職能

- The manual shall state the duty and responsibilities of the internal audit of the company from the “Independent Audit Function” of the Guideline.  
手冊應依據指引的「獨立審計職能」闡明公司內部審計的職責與責任。
- The manual shall state who is (or will be) the internal auditor of the company.  
手冊應說明誰是 (或將成為) 公司的內部審計人員。

We do appreciate the CR inspector has made the effort to review the entire Compliance Manual. It is important to update the Manual from time to time, especially with the recent changes to the CR Guideline.

我們非常感謝 CR 審查員審閱整份合規手冊。不時更新手冊非常重要，尤其是對應最近 CR 指引的修改。

After the submission of the updated copy of the Manual to the inspector by our said user, we have asked a barrister-at-law who has several years of experience in SFC and AML practice to review the manual and make any necessary modifications. The new Compliance Manual which includes the recommendations from the CR inspector as well as the review by an external lawyer has just been incorporated in AML for CSA. When you update your system, you will see this latest version.

在我們上述那位用戶向審查員提交更新後的手冊副本後，我們再邀請了一位在證監會和反洗錢實踐方面擁有多年經驗的大律師審閱該手冊以進行必要的修改。新的合規手冊現已載入 AML for CSA 當中。它既反映了 CR 審查員的建議，亦包含了外部律師的意見。當您更新系統時，您將會看到這最新版本。

Please keep in mind that this Manual template is for your reference only. You may still need to make modifications to it according to your company's unique situation as well as any future legislation changes and Guideline updates published by CR.

但請緊記：該手冊範本僅供參考。您可能仍然需要根據公司的具體情況以及日後的法例變化和 CR 發布的指引更新進行修改。

## Why do you need your own Compliance Manual?

### 為什麼您需要有自己的合規手冊？

#### Enforcement by the Companies Registry

##### 公司註冊處進行執法

Many AML for CSA users had reported to us that CR inspectors were adamant in requesting a copy of the company's own Compliance Manual for examination. This makes having one's own Compliance Manual paramount important.

許多 AML for CSA 用戶告知我們，CR 審查員均會要求用戶提供她們自己的合規手冊副本以供審閱；這使得擁有自己的合規手冊變得至關重要。

## Staff Training

### 職員培訓

According to the CR Guideline: “Staff training is an important element of an effective system to prevent and detect ML/TF activities. The effective implementation of even well-designed AML/CTF systems can be compromised if staff using the systems is not adequately trained.”

根據 CR 的指引：「職員培訓是在一個有效的防止及偵察洗錢/恐怖分子資金籌集活動制度中的一個重要環節。如沒有為使用反洗錢及恐怖分子集資制度的職員提供充分培訓，則即使實施設計完善的制度，其實際成效也會受到影響。」

Therefore, You need to ensure that all relevant staff is well-versed in your Compliance Manual. The easy way to do it is to let your staff study the Compliance Manual under the “Policies and Procedures” section of the system. AML for CSA comes with a simple tool to give the Compliance Officer an overview of staff training. The function would record the reading time of each section and the progress of each staff, all in one place.

因此您需要確保所有相關職員熟識您的合規手冊。最簡單的方法是讓職員研習系統中的「政策和程序」部分下的合規手冊。AML for CSA 帶有一個簡易的工具，可以讓合規主任全面了解職員的培訓狀況。此功能將每個章節的閱讀時間和每個職員的進度記錄在一個地方。

AML for Licensed Corporation (1.3.0)

Practice Progress References

User ID: MASTER ☐ Show Outstanding only

	User ID	Guide	Title	Start Date	Read Date	Status
3	MASTER	Guideline on Compliance of AML/CTF		15 Aug 2023 09:53		Reading
4	MASTER	Guideline on Anti-Money Laundering and				
5	MASTER		Annex I - Indicators of suspicious transactions	21 Feb 2024 23:30		Reading
6	MASTER		Annex II - Examples of money laundering schemes			
7	MASTER		Appendix A - Identification and verification of customer who is an			
8	MASTER		Appendix A - Indicators of suspicious transactions	09 Jan 2024 13:34		Reading
9	MASTER		Appendix B - Identification and verification of customer which is a			
10	MASTER		Appendix C - Identification and verification of customer which is a			
11	MASTER		Appendix D - Identification and verification of customer which is a			
12	MASTER		Chapter 1 - Introduction			
13	MASTER		Chapter 1 - OVERVIEW			

## Adopting the Compliance Manual

### 採納合規手冊

The Compliance Manual that we have provided in AML for CSA is for your reference only. You may need to adapt it to your own organization's needs based on your specific situation.

AML for CSA 提供的合規手冊僅供參考。您可能需要因應您的具體情況對其進行調整，以適應自己組織的需要。

## Observation

### 觀察

We have witnessed a considerable increase in the enforcement effort on TCSP licensees and the extent of the examination by CR. Many practitioners are “complaining” about the amount of work that needs to be done to renew the TCSP license. This is putting so much pressure on them, especially the small firms where resources and expertise are limited. We do hope our system can alleviate their burden of compliance.

我們看到 CR 對 TCSP 持牌人的執法力度和審查範圍大幅增加。許多從業者都在“抱怨”TCSP 牌照續期所需的工作量。這給他們帶來了巨大壓力，尤其是對擁有較少資源和專職人員的公司。我們確切希望我們的系統能夠減輕他們在合規方面的負擔。



## General Interest

### 產品以外

#### Take the Fear Out of Sales Tax

Last week, the Financial Secretary Mr. Paul Chan dropped a bombshell about what made Hong Kong the envy of the world and a darling of Milton Friedman. That is to increase the income tax rate from 15% to 16% for 0.6% of the taxpayers. The projected revenue raised from this simple action only brings in \$910 million each year. However, the damage to Hong Kong's reputation as a low-tax jurisdiction is done. In an age where every nation is lowering its income tax rate to attract foreign investment, Hong Kong is doing just the opposite. I can see Singapore is laughing her head off.

The tax foundation for Hong Kong has always been narrowed. Income from land sales used to be the main source of revenue. This revenue stream has decreased to just 5.2% of the total revenue in the coming fiscal year. The sudden loss of this important source forced the Financial Secretary to look for an alternate source to replace the lost one. The most convenient and easy target with little opposition is to raise the income tax rate on high-income earners.

Instead of raising the income tax rate, what the Financial Secretary should do is to consider the implementation of sales tax, a simple tax regime that is based on one's ability to consume instead of earnings. When everyone in Hong Kong is trying to attract foreign investment to the Island, installing a sales tax system is the least damaging revenue-raising tool and is welcomed by the investment community.

#### **Sales tax is a happy tax.**

Sales tax is a consumption-based tax. It taxes on one's ability to consume rather than earned. Hong Kong people should be well familiar with this tax when they travel to Japan, South Korea, Taiwan, etc., their favorite places for holidays. By being a consumer in those places, they paid their fair share of the sales tax through consumption. Most of the time, they don't realize they are also the taxpayer of those places. All they thought about was how tasty were the sushi or how fragrant the beef soup noodles. You see, this is the happy tax. The taxpayer feels happy when paying the sales tax because they know what they can get from spending. The reason why Singapore is willing to pay an undisclosed amount to Taylor Swift to keep her shows solely in Singapore and not in any other Asian cities is the amount of Goods and Services Tax (GST) they can get from ticket sales and the general rise in consumption from the arrival of event goers. Would those people complain about the GST added to their tickets and the GST added on their hotel bills and restaurant spending? These fans are just happy and feeling privileged while paying the tax.

#### **Sales tax is a pay-as-you-go tax.**

Tax is always a dirty word. No one likes it. What if we just pay the tax while consuming with no tax return filing, no withholdings, and no tax auditor behind your back? The fact that you have no need to reveal your source of income and retain privacy while paying this sales tax is amazing. No pain to the payee as it is compared to income tax. No hassle, just pay and go, a clean and simple tax system where the payee is happy to pay.

### **Sales tax is a fair tax.**

Let's use an example of a can of beer. If you buy this can of beer, it costs ten dollars at a convenient store. Let's say the sales tax rate is the high 10%, thus the tax on this can of beer is one dollar. However, when one consumes this can of beer in a nightclub where it costs fifty dollars, the tax on this can of beer becomes five dollars. The same can of beer! The person who bought this can of beer at a convenient store pays one dollar while the person who consumes the can of beer in a nightclub pays five dollars of sales tax. Is it fair? Would the person who consumes that can of beer voice a protest because the other person at a convenient store only pays one dollar of sales tax while he must pay five dollars? In this simple example, one can easily understand that sales tax is not as bad as the common conception.

### **Sales tax can catch those people who are enjoying public services but not paying any income taxes.**

People who got their income from stock speculation, capital gains from sales of properties, gambling, or even earnings from bribes, illegal activities, or simply from corruption. This tax will capture all those unaccountable for income when they consume while in Hong Kong. If we are using the "rule" by the Financial Secretary "tax is based on one's ability to pay" when he raised the income tax rate, this sales tax regime better fit his saying than raising the tax on those 12,000 taxpayers.

### **Sales tax can lower the income tax rate to attract more investments.**

With the extra income from sales tax, Hong Kong is in a better position to lower the income tax rate, to be more competitive. Look at Ireland. She copied the playbook from Hong Kong and instituted a low tax regime to attract investments. In general, people are only concerned about the top rate for comparison purposes. It is wise to keep the top rate the lowest in the world so that we can keep the low tax reputation.

The "lowest income tax rate" is the best advertising slogan.

When income tax only accounts for 13.8% of the total projected revenue of the coming fiscal year, why ruin Hong Kong's hard-earned reputation as a low tax jurisdiction when we can just consider a simple, pay-as-you-go sales tax which would not only help Hong Kong's credit rating but welcomed by the much-needed foreign investment communities.

(This article does not have a Chinese version. 本文並無中文版。)

---

## Join Our Team 人才招募

We are looking to hire someone who possesses a passion for an IT-related job.

If you think you are one of them, please send your resume to [career@plsoft.com](mailto:career@plsoft.com) telling us about yourself.

對下列 IT 相關的工作感興趣？ 將履歷發送至 [career@plsoft.com](mailto:career@plsoft.com) 給我們介紹一下您自己吧！

**Strictly Confidential 絕對保密**

### System Support Specialist (系統支援專員)

- Be customer-service orientated
- At least two years of IT-related work experience
- Hands-on experience in trouble-shooting PC, LAN, and Internet problems
- Knowledge of installing MS-SQL, MS Windows, and Linux servers
- Perform in-house hardware/software installation, configuration, and maintenance
- May need to provide IT support and trouble-shooting services for clients when needed

### Software Engineer (軟件工程師)

- University graduate in Computer Science or equivalent
- At least three years of full-time experience in the I.T. field, preferably in software development
- Well-versed in Object-Oriented methods, SQL data structures, and Entity-Relationship models
- Produce software specifications and develop software verification plans and quality assurance procedures
- Integrate software components built by programmers into software systems or fully functional applications

---

This Newsletter is published by P & L Associates | [www.plsoft.com](http://www.plsoft.com)

Copyright (c) P & L Associates. All rights reserved.

Information herein is for reference only and should not be construed as professional advice or legal opinion provided by the publisher to its readers. Content subject to change without notice.

CPAnywhere is a registered trademark of P & L Software Publishing Limited.

Any questions, comments, or suggestions can be sent to the Editor at [plinfo@plsoft.com](mailto:plinfo@plsoft.com)

Tel: 2521-3110 | GPO Box 600, Hong Kong