LegCo Public Accounts Committee to hold public hearing next Monday

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council (LegCo) Public Accounts Committee (PAC) will hold a public hearing on "Centre for Food Safety: Management of food safety" (Chapter 1) of the Director of Audit's Report No.71 at 9am next Monday (December 10) in Conference Room 2 of the LegCo Complex.

Six witnesses have been invited to appear before the above hearing to respond to points raised in the Report and answer questions asked by PAC members.

The programme for the public hearing is as follows:

Date: December 10 (Monday)
Time: 9am
Venue: Conference Room 2

Subject: Centre for Food Safety: Management of food safety (Chapter 1 of the Director of Audit's Report No.71)

Witnesses:

Professor Sophia Chan
Secretary for Food and Health

Mr Eugene Fung
Deputy Secretary for Food and Health (Food)2

Miss Vivian Lau
Director of Food and Environmental Hygiene

Dr Ho Yuk-yin
Controller, Centre for Food Safety
Food and Environmental Hygiene Department

Dr Samuel Yeung
Consultant (Community Medicine) (Risk Assessment and Communication)
Food and Environmental Hygiene Department

Dr Christine Wong
Assistant Director (Risk Management)
Food and Environmental Hygiene Department

PAC is chaired by Mr Abraham Shek, and its Deputy Chairman is Mr Kenneth Leung. Other members include Mr Paul Tse, Mr Steven Ho, Mr Lam Cheuk-ting, Mr Shiu Ka-fai and Ms Tanya Chan.

Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Bill 2018 gazetted

The Government published in the Gazette today (December 7) the Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Bill 2018 to provide profits tax exemption for eligible funds operating in Hong Kong.

A government spokesman said, "The Bill seeks to address the concerns of the Council of the European Union (EU) over the ring-fencing features of our tax regimes for privately offered offshore funds and enhance the competitiveness of our tax regimes by creating a level playing field for all funds operating in Hong Kong. This would help strengthen Hong Kong's position as an international asset and wealth management centre and drive demand for the related professional services in Hong Kong. Our financial services industry will benefit as a whole.

"In order to achieve the aforementioned objectives, we propose to introduce new and self-contained provisions in the Inland Revenue Ordinance (Cap. 112) (IRO) so that all funds operating in Hong Kong, regardless of their structure, their location of central management and control, their size or the purpose that they serve, can enjoy profits tax exemption for their transactions in specified assets subject to meeting certain conditions. A fund can also enjoy profits tax exemption from its investment in both overseas and local private companies."

The spokesperson added, "To minimise the risk of tax evasion, we will put in place certain anti-abuse measures, including certain requirements on a fund's investment in private companies in relation to holding of immovable property and assets, as well as holding period. Also, the current anti-round tripping provisions for resident persons will be retained. In short, the proposal has struck a balance between facilitating market development and preventing tax abuse. The existing provisions will be preserved except for the necessary changes."

Under the IRO, publicly offered funds, both onshore and offshore, are exempted from profits tax. For privately offered funds, only offshore funds and onshore privately offered open-ended fund companies are exempted from profits tax. Other onshore privately offered funds cannot enjoy profits tax exemption like their offshore counterparts. The EU has identified Hong Kong's tax regimes for offshore funds to be problematic on account of their ring-fencing features, and the Government has announced that a review would be conducted on the tax concession arrangements applicable to the fund industry with regard to the international requirements on tax co-operation.

The Bill will be introduced into the Legislative Council on December 12.

[Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) Bill 2018 gazetted]

The Government published the Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) Bill 2018 in the Gazette today (December 7). The Bill seeks to implement the 2018-19 Budget initiative of introducing tax deductions for deferred annuity premiums and Mandatory Provident Fund Tax Deductible Voluntary Contributions (MPF TVCs) to encourage voluntary savings for retirement.

The maximum tax deductible limit for a taxpayer will be $60,000 per year. It will be an aggregate limit for MPF TVCs and deferred annuity premiums for greater flexibility. In other words, whether a taxpayer makes MPF TVCs of $60,000 or pays $60,000 of deferred annuity premiums, or makes MPF TVCs and purchases a qualifying deferred annuity as well, the taxpayer can still claim deductions under salaries tax and personal assessment up to the cap of $60,000.

Allowing joint annuitants, an annuity is a convenient financial tool for a married couple to plan for their retirement. Based on this consideration, the Government proposes that a taxpayer can claim tax deductions for deferred annuity premiums covering his or her spouse as joint annuitant, or either the taxpayer or the taxpayer's spouse as a sole annuitant. A taxpaying couple can also allocate tax deductions for deferred annuity premiums amongst themselves in order to claim the total deductions of $120,000, provided that the deductions claimed by each taxpayer do not exceed the individual limit.

"The proposed tax deductions aim to encourage the working population to save more for retirement as early as possible to manage longevity risks," a spokesman for the Financial Services and the Treasury Bureau said.

In the 2018-19 Budget Speech, the Financial Secretary suggested introducing tax concessions to encourage the development of the deferred annuity market so as to offer more options to people in making financial arrangements for retirement, and the same tax concessions would also be applicable to MPF voluntary contributions. The Insurance Authority and the Mandatory Provident Fund Schemes Authority will collaborate with the Investor Education Centre and the industry as appropriate to enhance public understanding of annuity products and MPF TVCs, and how to evaluate different retirement planning tools to suit one's needs.

The bill will be introduced into the Legislative Council for first reading on December 12.

Special traffic arrangements in Stanley from this Saturday

The Transport Department (TD) today (December 7) reminded the public that special traffic arrangements will be implemented in Stanley this Saturday (December 8), this Sunday (December 9), next Saturday (December 15) and next Sunday (December 16) to facilitate the holding of an event at Stanley Plaza, including:

* The section of Stanley New Street between Stanley Village Road and Stanley Market Road will be intermittently closed from 11am to 6pm (except for vehicles of local residents, persons with disabilities, the Police and emergency services).

* The effective hours of pedestrian precincts on Stanley Market Road and Stanley Main Street will be extended from 11am till 11pm.

The TD anticipates that traffic in the vicinity and its approach roads will be busy on the above days. Members of the public are advised to use public transport services as far as possible, or to consider the free shuttle services provided by the event organiser (please refer to www.linkhk.com/en/promotion for details). Due to limited parking spaces in the area, those who have not reserved parking spaces with the event organiser should avoid driving to the vicinity. Motorists should exercise tolerance and patience in the case of traffic congestion and follow the Police's instructions.

Details of the special traffic arrangements are now available on the department's website (www.td.gov.hk).

Tender period for Central Kowloon Route – Kai Tak East extended

The Highways Department (HyD) announced today (December 7) that in response to requests from interested tenderers, the tender period for the contract for Central Kowloon Route – Kai Tak East (Contract No. HY/2018/02) has been extended to noon on January 11, 2019.

The HyD invited tenders for the contract on September 28. The original tender period was scheduled to expire at noon on December 14.

The extension of the tender period was gazetted today.

The HyD has appointed Arup – Mott MacDonald Joint Venture as the consultant to design and supervise the construction works. For enquiries, please call the consultant at 2268 3560.