

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)023

(Question Serial No. 2079)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

There will be an increase of 12 posts in the Inland Revenue Department in 2017-18. What is the cost for creating such posts? Are there any plans for further increase of posts? It is mentioned in the Budget that the Government plans to offer tax concession to attract aircraft leasing companies to develop their business in Hong Kong. In this regard, please inform this Committee of whether the aforesaid additional posts are to be deployed for handling such tax concession. If yes, what are the details? If no, what are the reasons? Has the Government assessed the number of aircraft leasing companies that will be attracted to develop their business in Hong Kong after the introduction of the tax concession? If yes, please provide the details of the assessment results. If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (Member Question No. 11)

Reply:

To cope with the increasing workload, the Inland Revenue Department (IRD) will create 12 permanent non-directorate posts in the financial year 2017-18 and the additional salary expenditure involved is about \$6.02 million. As in the past, IRD would review its staff establishment from time to time having regard to the operational need.

As mentioned in the 2017-18 Budget, aircraft financing is a very promising global business. The Government introduced a bill to the Legislative Council in March this year to amend the Inland Revenue Ordinance, with a view to enhancing Hong Kong's competitiveness on development of aircraft leasing business by way of tax concessions. The Transport and Housing Bureau (THB), the Financial Services and the Treasury Bureau, the Inland Revenue Department and other relevant government departments (such as Invest Hong Kong) will continue to take forward this project with existing resources. Meanwhile, THB has initially touched base with some local and overseas aircraft leasing enterprises. They have all indicated interest in using Hong Kong's platform to enter the Mainland and Asian markets. However, it is difficult to estimate the number of aircraft leasing enterprises willing to develop their businesses in Hong Kong at this stage.

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