

TAXATION LAW RESEARCH PROGRAMME

ASIAN INSTITUTE OF INTERNATIONAL FINANCIAL LAW

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FACULTY OF LAW

THE UNIVERSITY OF HONG KONG

TLRP NEWSLETTER No. 7

INTRODUCTION

This is the seventh Newsletter from the Taxation Law Research Programme (TLRP) at the Faculty of Law, The University of Hong Kong. The TLRP is a research programme within the Asian Institute of International Financial Law (AIIFL), one of the Faculty's key research centres.

The Foundation Members of the TLRP are Professor Andrew Halkyard, Associate Professor Wilson Chow and Professor Richard Cullen. Professor Cullen also serves as TLRP Director.

PROFESSOR RICHARD CULLEN AWARDED “TOP 20 ECONOMIC ESSAYS OF 2014” HONOUR

Professor Richard Cullen's mid-2014 article “**Land Revenue and the Chinese Dream**” was recognised by the [China Policy Review](#) as one of the “Top 20 Economic Essays of 2014”. The China Policy Review is a monthly journal of the State Council's Development Research Centre (DRC) in Beijing. The article was published in two parts in the May and July issues. It also appears in the [2014 Almanac of China's Economy](#), an important annual publication that has been recording the changes in China's national economy since 1981. The Almanac's editorial board “consists of government department heads -- at the national, provincial and municipal level -- and prominent economists. Its editors-in-chief are officials of the DRC”. ([China Daily, Sept 2013](#)).

Professor Cullen has published a fuller article (reported earlier in the [HKU Legal Scholarship Blog](#)) based on the same research in [The Asian Business Lawyer](#).

UPCOMING CONFERENCE

The Fourth TLRP International Conference “Renovating the Hong Kong Revenue Regime: the Local, Cross-Border and International Contexts”, Saturday, 31 October 2015

Hong Kong has developed, over decades, a Revenue Regime (RR) that is astonishing for its simplicity, stability and adequate resourcing of public services – not least when compared to most other developed jurisdictions, most of which need to cope with entrenched, far more complex tax systems. Articles 106-108 of the Basic Law of the Hong Kong Special Administrative Region (HKSAR) also direct that these fundamentals of the RR should be retained. The system's long history of satisfactory performance, however, does not imply or guarantee future fitness. Increasingly, the Hong Kong RR operates within the context of policy-shaping interaction both with the Mainland China Tax System and the International Tax System.

For example, there are conspicuously increased calls, on the HKSAR, for detailed exchange of tax-related information and the Base Erosion and Profit Shifting (BEPS) Project initiated within the influential Organization of Economic Cooperation and Development (OECD) is aimed at re-setting the International Tax System Policy agenda. The HKSAR government has begun to pay notably greater attention to the need to address a range of longer-term livelihood issues. Policy areas of concern include: tackling poverty and inequality; the housing (and livelihood) aspirations of Hong Kong people; ensuring proper welfare support for an ageing population and addressing an array of significant environmental (and energy) concerns. Initiatives aimed at addressing each of these challenges will require significant public expenditure backed up by a sustainable RR. The RR will also need to support and further develop the full span of Hong Kong's first-rate general infrastructure. Finally: the HKSAR needs to meet and respond well to the growing economic - and fiscal – interaction with Mainland China; and to respond effectively to international economic and fiscal developments – arising from the BEPS Project, for example.

Further information, draft programme and online registration are available at www.AIIFL.com.

UPCOMING SEMINARS IN 2015-2016

2 December 2015: **Mr Stefano Mariani**, Registered Foreign Lawyer, Deacons, Hong Kong will present a Seminar on *The Taxation of Trusts in Hong Kong*

23 March 2016: **Professor Miranda Stewart**, Director, Tax and Transfer Policy Institute, Australian National University will present a Seminar on “*Taxation Information Exchange: Current International Developments & Implications for Hong Kong*” (Provisional Title)

More details of the Seminars can be found at www.AIIFL.com.

SPECIAL PRESENTATIONS



Professor Richard Cullen conducted a Seminar at the Hong Kong Branch of the International Fiscal Association (IFA) entitled “*Hong Kong Remarkable Land Revenue System: Why it Still Works So Well*” on 22 July 2015

The IFA was established in 1938 with its headquarters in the Netherlands. Its objects are the study and advancement of international and comparative law in regard to public finance, specifically international and comparative fiscal law and the financial and economic aspects of taxation. Membership of IFA now stands more than 12,000 from 111 countries. IFA Hong Kong Branch was established in the year 1979 and serves as a platform in Hong Kong for people to exchange ideas on taxation. If you are interested in joining IFA or attending future IFA events, please contact Stanley Ho of IFA at stanley.ho@kpmg.com.

TLRP/AIIFL GUEST LECTURERS

The following Guest Lecturers presented tax lectures to LLM/LLB students in June 2014:

- **Professor Sarah Hinchliffe**, Visiting Professor of Law, William and Mary Law School
- **Mr Suhua Huang**, Director, Global Cooperation and Compliance Division of International Taxation Department, State Administration of Taxation (SAT), People's Republic of China
- **Professor Dr Kees van Raad**, Professor of Law, Leiden University and Director Advance LLM Program in International Tax Law

TLRP/AIIFL SEMINARS



20 August 2015

Tax Hot Topics Affecting Dual Residents

Professor Sarah Hinchliffe, Visiting Professor of Law
College of William and Mary Mason School of Business



8 January 2015

Legislation by Press Release: Hong Kong's New Stamp Duties – Why & How They Work

Jianlin Chen, Assistant Law Professor, Faculty of Law, The University of Hong Kong



18 December 2014 Special Joint Seminar

From Felixstowe to Hong Kong

Philip Baker QC, Field Court Tax Chambers, London (*Left*)

Taxation of International Sports Stars and Entertainers

Patrick Way QC, Field Court Tax Chambers, London (*Middle*)

(*Right: Professor Richard Cullen, HKU*)



5 November 2014

Legal Valuation in Chinese Tax Law

Professor Xiaoqiang Yang, Professor of Tax Law, Sun Yat-sen University School of Law and Director, Research Center for Taxation & Financial and Tax Law, Sun Yat-sen University
(*Right: Professor Yang; Left: Dr Doreen Qiu, HKU*)



18 June 2014

Transparency and Exchange of Information for Tax Purposes in China's Context

Mr Suhua Huang, Director, Global Cooperation and Compliance Division of International Taxation Department, State Administration of Taxation (SAT), People's Republic of China



12 June 2014

Taxation and Residency Requirements in Hong Kong, Australia, the United Kingdom and the United States – An International Update in 2014 for Individuals, and Corporate Entities

Professor Sarah Hinchliffe, Visiting Professor of Law, William and Mary Law School (*Right: Professor Hinchliffe; Left: Wilson Chow, HKU*)



24 March 2014

Business Tax: Public Debate and Future Trends

Professor Judith Freedman, CBE, (*far right*) Pinsent Masons Professor of Taxation Law, University of Oxford and Director of Legal Research, Oxford University Centre for Business Taxation with a panel of experts at HKU: **Professor Andrew Halkyard**, **Dr Doreen Qiu**, **Wilson Chow** and **Professor Richard Cullen** (*from left to right*)

PUBLICATIONS

[The Yet-to-Be Effective but Effective Tax: Hong Kong's Buyer's Stamp Duty as a Critical Case Study of Legislation by Press Release](#)

Jianlin Chen

[Magna Carta - 800 Years On: A Sino-Euro Reflection](#)

Richard Cullen

[The Rule of Law in Chinese Tax Legislation – Some Remarkable Changes under the Revised Legislation Law](#)

Dongmei Qiu (Doreen) and Richard Cullen

Green Taxation in East Asia

Book of the 2nd TLRP International Conference

Intro Pages and Index – free to download from Elgaronline.com at:

<http://www.elgaronline.com/abstract/9781849803007.xml>

FAREWELL AND BEST WISHES TO DR DOREEN QIU

Dr Doreen QIU was appointed as the second TLRP Post Doctoral Fellow in mid-July 2013. During her time at HKU, she was involved in (1) research and writing related to PRC &

International Tax Law & Policy; (2) working as part of the TLRP Research Team; (3) TLRP Seminars & Conferences; and (4) acting as TLRP key liaison person for engaging with Tax Law and Policy Scholars in Mainland China.

Doreen has returned to Xiamen University (XMU). We are sorry to lose her but wish her all the very best in Xiamen! We look forward to a continuing research cooperation with XMU related to Tax Law & Policy.

OTHER NEWS

[Tax and Transfer Policy Institute - Newsletters](#)

The Tax and Transfer Policy Institute (TTPI) carries out research on tax and transfer policy, law and implementation for public benefit in Australia. The research of the TTPI focuses on key themes of economic prosperity, social equity and system resilience. Responding to the need to adapt Australia's tax and transfer system to meet contemporary challenges, the TTPI delivers policy-relevant research and seeks to inform public knowledge and debate on tax and transfers in Australia, the region and the world. TTPI is committed to working with governments, other academic scholars and institutions, business and the community.

TLRP Newsletter subscribers who wish to receive email copies of TTPI Newsletters can send an email to tax.policy@anu.edu.au to request to be put on the TTPI Newsletter Mailing list.

A New Book Discussing the Hong Kong Revenue Regime

Finally we would like to draw your attention to a book which has recently been published, which discusses the historical and current operation of the Revenue Regime in the HKSAR using a comparative and theoretical approach:

[No Debt - High Growth - Low Tax: Hong Kong's Economic Miracle Explained](#)

Shepherd-Walwyn / School of Economic Science, London, 2015

by Andrew Purves

The primary theoretical perspective is the Land Value Taxation (LVT) system developed in the 19th century by Henry George. The Hong Kong Land-Related Revenue System does not follow the LVT model - it relies on a unique, evolved-in-HK model. That Hong Kong model has, however, managed to secure many of the Public Revenue advantages envisaged by the LVT model to a higher degree than in any other developed jurisdiction.

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We welcome your comments and suggestions for further research and other activities in the taxation area. Please feel free to email Professor Richard Cullen at richard.cullen@gmail.com or Flora Leung at fkleung@hku.hk.

We look forward to your continuing support.

October 2015