

Foreword

A Treatise of HKSAR Tax Law is a comprehensive account of tax law as it is designed and administered in Hong Kong. The system of taxation in the territory has been deliberately framed by the British Authorities to be as simple as possible so as to be appropriate to the circumstances of a small open economy. In adopting a simple tax system, Hong Kong has laid one of the key foundations for its miraculous economic performance in the post-war period. For this achievement Hong Kong is deservedly regarded as an exemplary for other jurisdiction that wish to simplify their tax codes. The US proposal in favour of a flat tax is an example in point.

As sovereignty over Hong Kong was to be transferred from the United Kingdom to China in 1997, there were widespread concern as to whether the system of taxation and the policy commitment and institutional support that allowed such a simple system to continue operation would survive. What seems to be at stake was one of the foundations of Hong Kong's continued economic prosperity. Today, some three years after the transfer of sovereignty, it is obvious for all to see that the system of taxation has survived very well.

Dr. Barry Hsu's work presents clearly the details of Hong Kong's tax system and legislation, its relationship to the Basic Law from which the constitutional authority to tax is derived, and the characteristics of the institutions that administers and adjudicates matters of taxation. Scattered throughout the text are many useful insights about how the system has operated. This is an enormously useful piece of work and would be a valuable text for students of taxation and practitioners in search of a convenient tool.