

[Insurance agent convicted of tax evasion](#)

An insurance agent was convicted today (July 15) of evading tax at West Kowloon Magistrates' Courts. Sentencing was adjourned to July 22 pending a background report. The defendant was remanded in custody.

The defendant, aged 60, was charged with 11 counts of wilfully with intent to evade tax by signing her tax returns, her business's profit and loss accounts and employer's returns of remuneration and pensions (employer's returns) without reasonable grounds for believing the same to be true, contrary to section 82(1)(d) of the Inland Revenue Ordinance (IRO) (Cap. 112). The defendant pleaded not guilty to the relevant charges. After trial, she was convicted today on all of the 11 tax evasion charges.

The court heard that the defendant carried on an insurance agency business as a sole proprietress. She claimed deduction of "office assistants" expenses in the profit and loss accounts of the business for the years of assessment 2009-10 to 2011-12. In the employer's returns for these three years of assessment, the business reported that two persons were its employees and the yearly remuneration to each was \$96,000. An investigation by the Inland Revenue Department (IRD) revealed that the two persons did not work for the defendant or her business and did not receive any remuneration from the defendant. The yearly false expenses of "office assistants" were \$192,000, thereby reducing the assessable profits of the defendant's business for the three years of assessment by \$576,000. The tax involved was \$75,033. The defendant also falsely declared in her tax returns for the years of assessment 2008-09 and 2013-14 to 2016-17 that her father resided with her continuously for the full year during the five years of assessment and claimed additional dependent parent allowance. The false claims of additional dependent parent allowance were \$194,000 and the tax involved was \$11,816. The total of the defendant's false claims of expenses and allowances for the eight years of assessment was \$770,000 and the total tax evaded was \$86,849.

A spokesman for the IRD reminded taxpayers that tax evasion is a criminal offence under the IRO. Upon conviction, the maximum penalty for each charge is three years' imprisonment and a fine of \$50,000 plus a further fine of three times the amount of tax evaded.

[Business expectations for the third](#)

quarter of 2022

The Census and Statistics Department (C&SD) released today (July 15) the results of the Quarterly Business Tendency Survey for the third quarter (Q3) of 2022.

Business situation

For all surveyed sectors taken together, the proportion of respondents expecting their business situation to be better (18%) in Q3 2022 over the preceding quarter is higher than that expecting it to be worse (12%).

When compared with the results of the Q2 2022 survey round, the proportion of respondents expecting a better business situation in Q3 2022 is 18%, higher than the corresponding proportion of 13% in Q2 2022. On the other hand, the proportion of respondents expecting a worse business situation has decreased from 21% in Q2 2022 to 12% in Q3 2022.

Analysed by sector, significantly more respondents in the accommodation and food services; retail; and manufacturing sectors expect their business situation to be better in Q3 2022 as compared with Q2 2022, relative to those expecting a worse business situation.

The results of the survey should be interpreted with care. In this type of survey on expectations, the views collected in the survey are affected by the events in the community occurring around the time of enumeration, and it is difficult to establish precisely the extent to which respondents' perception of the future accords with the underlying trends. The enumeration period for this survey round was from June 2, 2022 to July 6, 2022.

Volume of Business/Output

Respondents in all of the surveyed sectors expect their volume of business/output to increase on balance or remain broadly unchanged in Q3 2022 as compared with Q2 2022. In particular, significantly more respondents in the accommodation and food services; manufacturing; and retail sectors expect their volume of business/production/sales to increase in Q3 2022 over Q2 2022.

Employment

Respondents in all of the surveyed sectors expect their employment to increase on balance or remain broadly unchanged in Q3 2022 as compared with Q2 2022. In particular, significantly more respondents in the accommodation and food services sector expect their employment to increase in Q3 2022 over Q2 2022.

Selling price/service charge

Respondents in most of the surveyed sectors expect their selling prices/service charges to remain broadly unchanged in Q3 2022 as compared with Q2 2022. In accommodation and food services sector, however, more respondents expect their prices of food provided/charges for services rendered to go up in Q3 2022 over Q2 2022.

Commentary

A Government spokesman said that business sentiment among large enterprises improved across a majority of sectors as compared to three months ago thanks to the generally moderated local epidemic situation and the gradual relaxation of social distancing measures. The appetite for hiring also increased.

The spokesman added that the worsening global economic outlook would weigh on sentiment in the externally-oriented sectors in the near term. On the other hand, the continued revival of domestic economic activities from the earlier weaknesses could provide support to local confidence, but the extent would be dependent on the local epidemic situation and financial conditions. The various support measures rolled out by the Government should also help. It remains vital for the community to work in unison with the Government to keep the epidemic under control. The Government will monitor the situation closely.

Further information

The survey gathers views on short-term business performance from the senior management of about 560 prominent establishments in various sectors in Hong Kong with a view to providing a quick reference, with minimum time lag, for predicting the short-term future economic performance of the local economy.

The survey covers 10 major sectors in Hong Kong, namely manufacturing; construction; import/export trade and wholesale; retail; accommodation and food services (mainly covering services rendered by hotels and restaurants); transportation, storage and courier services; information and communications; financing and insurance; real estate; and professional and business services sectors.

Views collected in the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in, and are limited to the expected direction of quarter-to-quarter change (e.g. "up", "same" or "down") but not the magnitude of change. In collecting views on the quarter-to-quarter changes, if the variable in question is subject to seasonal variations, respondents are asked to provide the expected changes after excluding the normal seasonal variations.

Survey results are generally presented as "net balance", i.e. the difference between the percentage of respondents choosing "up" and that choosing "down". The percentage distribution of respondents among various response categories (e.g. "up", "same" and "down") reflects how varied their

business expectations are. The "net balance", with its appropriate sign, indicates the direction of expected change in the variable concerned. A positive sign indicates a likely upward trend while a negative sign indicates a likely downward trend. However, the magnitude of the "net balance" reflects only the prevalence of optimism or pessimism, but not the magnitude of expected change, since information relating to such magnitude is not collected in the survey.

Furthermore, owing to sample size constraint, care should be taken in interpreting survey results involving a small percentage (e.g. less than 10%) of respondents in individual sectors.

Chart 1 shows the views on expected changes in business situation for the period Q3 2021 to Q3 2022.

Table 1 shows the net balances of views on expectations in respect of different variables for Q3 2022.

The survey results are published in greater detail in the "Report on Quarterly Business Tendency Survey, Q3 2022". Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1110008&scode=300).

Users who have enquiries about the survey results may contact the Business Expectation Statistics Section of the C&SD (Tel: 3903 7263; email: business-prospects@censtatd.gov.hk).

[Progress in handling of banking complaints by HKMA](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (July 15) the progress made in its handling of banking complaints received as at end-June 2022. Banking complaints include cases concerning general banking services and conduct-related issues.

In June 2022, 363 cases were received and the handling of 250 cases was completed. As at end-June, the handling of 948 cases was in progress.

A table summarising the progress made in the handling of banking complaints by the HKMA is attached.

Interest rate of sixth interest payment for Silver Bond Series due 2022

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority, as representative of the Hong Kong Special Administrative Region Government, announced today (July 15) the relevant per annum interest rate for the sixth interest payment of Silver Bond Series due 2022 (Issue Number: 03GB2207R) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated July 4, 2019 for the Bonds, the sixth interest payment of the Bonds is scheduled to be made on July 29, 2022, and the relevant interest rate is scheduled to be determined and announced on July 15, 2022 as the higher of the prevailing Floating Rate and Fixed Rate.

On July 15, 2022, the Floating Rate and Fixed Rate are as follows:

Floating Rate: +1.57 per cent (Annex)

Fixed Rate: +3.00 per cent

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the sixth interest payment is determined and announced as 3.00 per cent per annum.

Government follows up on positive results of sewage surveillance and appeals to residents to undergo virus testing

The Government announced today (July 15) that in order to fight the coronavirus epidemic, the Environmental Protection Department and the Drainage Services Department have been collecting sewage samples for virus testing in all districts, and had detected positive results in some areas, indicating that there may be hidden cases in the premises within these areas.

Rapid test

As regards positive sewage testing results with relatively high viral loads in the following areas, the Housing Department and the respective District Offices will commence distributing about 275 000 sets of the COVID-19 rapid antigen test (RAT) kits to residents, cleaning workers and property management staff working in the following areas for them to take the test on their own, in order to help identify infected persons:

- Southern District – Yue On Court, Marina Habitat, Sham Wan Towers, Ap Lei Chau Centre, Kam Fat Building, Marina South, Pat Leung Building, Wah Fu (I) Estate and Wah Fu (II) Estate
- Tai Po District – Tai Po Centre, Tai Po Plaza and Classical Gardens
- Kowloon City District – K.City, Kai Long Court, Vibe Centro, One Kai Tak (I), One Kai Tak (II), De Novo, Tak Long Estate and Kai Ching Estate

Members of the public may refer to (www.coronavirus.gov.hk/rat/eng/rat.html) for enquiries relating to the use of the RAT kits.

When using an RAT kit, please pay attention to and follow the instructions from the manufacturer to perform the test and read the result properly. It is advisable to record the displayed result by taking a photo immediately after reading. Users should wash their hands before and after performing the tests, and avoid placing non-essential items within the specimen collection area. After completing the test, wrap and seal all components of the test kit carefully and dispose of them properly. If the household environment is contaminated during the specimen collecting process, disinfection should be conducted with 1 in 49 diluted bleach solution or 70 per cent alcohol.

People who obtained a positive result through an RAT for the first time can report via the online platform "Declaration System for individuals tested positive for COVID-19 using Rapid Antigen Test" (www.chp.gov.hk/ratp). If individuals encounter difficulties using the online platform, they can call the automated system at 183 6119 to register their identification document and telephone number. The Centre for Health Protection of the Department of Health will contact the relevant person later to finish the report procedure.