

Hong Kong Customs arrests director of suddenly closed online household product store

Hong Kong Customs arrested the sole director of an online household product store today (May 2) on suspicion of engaging in wrongly accepting payments when selling products, in contravention of the Trade Descriptions Ordinance (TDO).

The online household product store abruptly announced its closure early last month. As of 8am today, Customs had received a total of 164 complaints against the online store concerned. Complainants reported making prepaid orders for various household goods, including clothing, beauty products, health food and household products, but failing to receive the goods or obtain refunds from the shop. The total amount involved in the case is approximately \$170,000, with the largest individual case amounting to around \$20,000.

Customs officers took enforcement action today and arrested a 65-year-old male, the sole director of the company. He is currently released on bail pending further investigation.

Customs has long been concerned about illegal online sales activities. It has strived to combat unfair trade practices on websites to protect consumers' interests.

Under the TDO, any trader commits an offence if at the time of acceptance of payment, the trader intends not to supply the product or intends to supply a materially different product, or there are no reasonable grounds for believing that the trader will be able to supply the product within a specified or reasonable period. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment of five years.

Customs reminds traders to comply with the requirements of the TDO and refrain from engaging in unfair trade practices when supplying goods.

Consumers should stay vigilant in regard to online shopping. They should procure products at reputable shops and keep the transaction receipts and related records, which can become the basic information in case a complaint is lodged in the future. Moreover, customers could choose payment methods such as "cash on delivery" or "pay deposit first and then pay the balance" when ordering goods on the Internet.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).

Employers and employees should make prior work arrangements in times of adverse weather and “extreme conditions”

The Labour Department (LD) today (May 2) reminded employers to make prior work arrangements for employees during and after tropical cyclone warnings, rainstorm warnings, "extreme conditions" and other adverse weather events as early as possible, so as to ensure the safety of employees and smooth operation of establishments as well as to maintain good labour-management relations.

In the light of the experience of the first-time announcement of "extreme conditions" last September, the LD has reviewed the previously published "Code of Practice in Times of Typhoons and Rainstorms" and promulgated today the revised "Code of Practice in Times of Adverse Weather and 'Extreme Conditions'" ("CoP") to provide more suitable guidelines for employers and employees.

The revised CoP reiterates the basic principles of work arrangements for employees under adverse weather and "extreme conditions". "Employers should make prior work arrangements and contingency measures for staff which are reasonable and practicable. In drawing up and implementing the work arrangements, employers should give prime consideration to employees' safety and the feasibility of employees travelling to and from their workplaces. Employers should also give consideration as much as possible to the different situations faced by individual employees, such as their place of residence and the road and traffic conditions in the vicinity, and adopt a sympathetic and flexible approach with regard to their actual difficulties and needs," an LD spokesman said.

To avoid misunderstanding, disputes and confusion, employers should consult and engage employees when drawing up the arrangements and make appropriate updates or amendments based on the experience of each occasion and the needs of both employers and employees as well as the actual situations. The work arrangements should cover the following matters:

- * arrangements in respect of reporting for duty;
- * arrangements in respect of early release from work;
- * arrangements in respect of resumption of work (e.g. the number of hours within which employees should resume duty after the warning concerned is cancelled or "extreme conditions" comes to an end, when safety and traffic conditions allow);
- * arrangements in respect of remote work such as work from home (if

applicable) (e.g. duty and work arrangements during and after tropical cyclone warnings, rainstorm warnings or "extreme conditions");

* arrangements regarding working hours, wages and allowances (e.g. calculation of wages and allowances in respect of reporting for duty and absence); and

* special arrangements in respect of staff required to report for duty in times of adverse weather and "extreme conditions".

"Employers should conduct a timely and realistic assessment of whether there is any need for requiring staff to report for duty at workplaces when a tropical cyclone warning, rainstorm warning or 'extreme conditions' is in force. In making the assessment, employers should take into account the safety of employees, the business nature, operational needs and urgency of service, with due regard to the manpower requirements, staffing establishment and individual situations of employees, and keep the number of staff at workplaces to the minimum as far as possible," the spokesman added.

When a Pre-No. 8 Special Announcement is issued during working hours, employers should release employees from the workplaces or from work in stages, or arrange for them to work remotely as soon as practicable. To ensure the safety of employees and to enable them to arrive home before suspension of public transport services, employees who have mobility problems (for example, pregnant employees or those with a disability), employees who rely on transport services which are prone to being affected by adverse weather conditions (for example, ferry services) to get home, and those who work in or are living in remote areas (for example, outlying islands) should be given priority to leave. Other employees should be released from workplaces or from work in stages according to their travelling distance or the time required for returning home.

If an Amber, Red or Black Rainstorm Warning Signal is issued during working hours, employees working indoors should continue to work as usual unless it is dangerous to do so. Supervisors of employees working outdoors or in exposed areas should suspend outdoor duties as soon as practicable. They should arrange for their employees to take shelter temporarily and resume duty only when weather conditions permit. If the Black Rainstorm Warning Signal is still in force by the end of working hours, employees should stay in a safe place until the heavy rain has passed. A suitable area in the workplace should be made available by employers as temporary shelter for employees.

If the Government makes an "extreme conditions" announcement, apart from those required by employers to report for duty at workplaces, employees are advised to stay in the place they are currently in or in safe places when "extreme conditions" is in force, instead of heading for work. Employees who have already reported for duty at workplaces could continue to work as usual in a safe manner. If the workplaces are in danger, employers should release staff from work early under feasible conditions and in a safe manner, or make available a safe place as temporary shelter for employees. If the working time ends while "extreme conditions" is still in force, employers can release employees from workplaces in a safe manner or provide a suitable area as

temporary shelter for those still at workplaces.

If it is necessary for employees to report for duty at workplaces under adverse weather or "extreme conditions", employers should discuss and agree with them in advance on the duty arrangements and contingency measures. If public transport services are suspended or limited during Tropical Cyclone Warning Signal No. 8 (T8) or higher, the Black Rainstorm Warning Signal or "extreme conditions" is in force, employers should provide safe transport services for employees travelling to and from workplaces, or grant them an extra travelling allowance.

The spokesman reminded employers to observe the statutory liabilities and requirements under the Employment Ordinance, Occupational Safety and Health Ordinance, Factories and Industrial Undertakings Ordinance, Employees' Compensation Ordinance and Minimum Wage Ordinance.

"As natural calamities cannot be avoided, for employees who are not able to report for duty or resume work on time due to adverse weather or 'extreme conditions', employers should neither deduct their wages, good attendance bonuses or allowances, nor reduce employees' entitlement to annual leave, statutory holidays or rest days under the Employment Ordinance, or ask for additional hours of work from employees to compensate for the loss of working hours when they are unable to report for duty," he said.

Employers should note that they have an obligation to provide and maintain a safe working environment for their employees under the Occupational Safety and Health Ordinance. If employees are required to work in times of tropical cyclone warnings, rainstorm warnings or "extreme conditions", employers should ensure that the risks at work are reduced as far as reasonably practicable. Moreover, under the Employees' Compensation Ordinance, employers are liable to pay compensation for injuries or deaths incurred when employees are travelling by a direct route from their residence to their workplace, or from their workplace back to their residence after work, four hours before or after working hours on a day when Tropical Cyclone Warning Signal No. 8 or higher, a Red or Black Rainstorm Warning Signal or "extreme conditions" is in force.

The LD has published the CoP which can be obtained from branch offices of the Labour Relations Division or downloaded from the department's webpage (www.labour.gov.hk/eng/public/wcp/Rainstorm.pdf).

Inland Revenue Department issues tax returns for individuals

The Inland Revenue Department (IRD) today (May 2) sent out about 2.44

million tax returns for individuals for the year of assessment 2023/24. The department reminded taxpayers to file their tax returns on time. The filing deadline for general cases is one month (by June 3) while for sole proprietors of unincorporated businesses, a three-month period is allowed (by August 2). Those filing via eTAX will be automatically granted a one-month extension (i.e. the deadline for general cases is July 3 and for sole proprietors is September 2).

The Commissioner of Inland Revenue, Mr Tam Tai-pang, today hosted a press conference on the completion of tax returns for individuals for the year of assessment 2023/24 and the tax collection of 2023-24, and also introduced new features of e-filing of profits tax returns.

Mr Tam referred to two tax measures proposed in the 2024-25 Budget, that is, the reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2023/24 by 100 per cent, subject to a ceiling of \$3,000 per case, and implementing a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024/25.

In addition, the 2023 Policy Address announced that the deduction ceiling amounts for home loan interest and domestic rents will be raised for taxpayers who reside with their newborn children. Starting from the year of assessment 2024/25, the deduction ceiling for home loan interest or domestic rents will be raised from \$100,000 to \$120,000 for eligible taxpayers of salaries tax and tax under personal assessment who are residing with children born on or after October 25, 2023.

The bill for implementing the above three tax measures is being scrutinised by the Legislative Council. Taxpayers only need to complete the tax returns for the year of assessment 2023/24 as usual. With the passage of the relevant legislation, the proposed tax reduction will be reflected in their assessments. In calculating the provisional salaries tax for the year of assessment 2024/25, the department will determine the amounts of home loan interest and domestic rents to be allowed based on the information provided by eligible taxpayers, and apply the two-tiered standard rates as appropriate.

Mr Tam also briefly introduced another tax measure proposed in the 2023 Policy Address. Starting from the year of assessment 2024/25, a deduction for expenses on assisted reproductive services will be provided under salaries tax and tax under personal assessment, subject to a ceiling of \$100,000 per year. The Government will start the legislative process to give effect to the proposal.

The IRD encouraged taxpayers to file their tax returns through eTAX, which offers an easy, secure and environmentally friendly online service for filing tax returns and ensures tax returns are filed in a timely manner to the department. "iAM Smart+" users may also sign and submit electronic tax returns online with the digital signing function.

The department also reminded taxpayers to pay sufficient postage if they

choose to send the returns by post.

Taxpayers may visit the department's website (www.ird.gov.hk/eng/tax/esem_ctr.htm) to read information under "e-Seminars" if they have questions on completing their tax returns. They may also file questions in the "Q&A Corner". From today to June 3, except on Sundays and public holidays, the department will deploy additional staff to answer the telephone enquiries hotline 187 8022 and extend the service hours up to 7pm on weekdays, and from 9am to 1pm on Saturdays.

Last year, the department launched a new model of e-filing of profits tax returns to allow corporations and businesses to e-file the returns under eTAX together with supporting documents, including financial statements and profits tax computation. The department pointed out that the enhanced version of e-filing of profits tax returns under eTAX was launched in April 2024 to strengthen and update its functionality. Details of e-filing of profits tax returns can be found on the department's website (www.ird.gov.hk/eng/tax/bus_epf.htm and www.ird.gov.hk/eng/tax/bus_ixbrl.htm).

In addition, Mr Tam alerted taxpayers to fraudulent emails purportedly issued by the department. He said that the department will only inform taxpayers to log in to their eTAX Accounts to enquire tax positions with a designated email address (e_alert@ird.gov.hk), and will not include hyperlinks in emails requesting taxpayers to provide their personal, bank account or credit card information. Taxpayers should stay alert and not open any suspicious emails.

On revenue collection, Mr Tam said that \$342 billion of tax revenue was collected by the department during the financial year 2023-24 (please see Annex 1 for details), a decrease of \$18.2 billion compared with the previous year's figure. A breakdown is as follows:

2023-24 revenue collection by the department (provisional figures)

| Tax Type | 2023-24 Revenue (Provisional Figures) (\$million) | 2022-23 Revenue (Actual Figures) (\$million) | Change |
|---------------------------------------|---------------------------------------------------------------|----------------------------------------------------------|--------|
| Profits Tax | 170,498 | 174,213 | -2% |
| Salaries Tax | 79,870 | 79,490 | +0.5% |
| Property Tax & Personal Assessment | 11,228 | 10,562 | +6% |
| Total Earnings & Profits Tax | 261,596 | 264,265 | -1% |

| | | | |
|-------------------------------|---------|---------|---------|
| Estate Duty | 10 | 9 | +11% |
| Stamp Duty | 49,112 | 69,976 | -30% |
| Betting Duty | 28,467 | 25,824 | +10% |
| Business Registration Fees | 2,816 | 129 | +2,083% |
| | --- | --- | |
| Total Revenue Collected | 342,001 | 360,203 | -5% |

Effective Exchange Rate Index

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