

# LCQ19: Regulation of activities for soliciting donations from the public

Following is a question by the Dr Hon Elizabeth Quat and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 27):

Question:

It has been reported that in recent months, some people have launched an online activity for soliciting donations in order to raise fund to support them in meeting the legal and administrative expenses, etc. that will be incurred in pursuing an investigation into an incident. Regarding the regulation of such activities, will the Government inform this Council:

(1) whether the Inland Revenue Department (IRD) will, on its own initiative or upon receiving reports, conduct investigations to ascertain if such activities for soliciting donations involve the tax obligations under the Inland Revenue Ordinance (Cap. 112), and take follow-up actions; if IRD will not, of the reasons for that;

(2) whether the law enforcement departments will, on their own initiative or upon receiving reports, conduct investigations to ascertain if such activities for soliciting donations involve (i) infiltration into Hong Kong by foreign forces and their money or (ii) money laundering activities, and take follow-up actions; if the law enforcement departments will not, of the reasons for that; and

(3) whether the law enforcement departments will, on their own initiative or upon receiving reports, conduct investigations to ascertain if such activities for soliciting donations involve the offence of champerty, and take follow-up actions; if the law enforcement departments will not, of the reasons for that?

Reply:

President,

Upon consultation with relevant bureaux and departments, our consolidated reply to the questions is as follows:

(1) Pursuant to the Inland Revenue Ordinance (IRO) (Cap. 112), the Inland Revenue Department (IRD) charges profits tax on any person carrying on a trade, profession or business in Hong Kong in respect of his assessable profits. The person should declare his assessable profits in his tax return. Under the secrecy provisions in the IRO, the IRD cannot disclose the information of any person and will not comment on individual cases.

(2) The Government and our law enforcement agencies (LEAs) spare no effort in combatting money laundering. The Organised and Serious Crimes Ordinance (Cap. 455) stipulates that where a person knows or suspects that any property in whole or in part directly or indirectly represents any person's proceeds of an indictable offence, he shall as soon as it is reasonable for him to do so disclose that knowledge or suspicion, together with any matter on which that knowledge or suspicion is based, to the Joint Financial Intelligence Unit (JFIU) by way of submitting a suspicious transaction report (STR). The JFIU will analyse all STRs submitted, and refer to relevant LEAs for follow-up as appropriate.

(3) If the Police discover that someone is suspected of committing champerty, they will conduct investigation and follow-up. Should a member of the public suspect that someone has committed champerty, he or she should file a report to the Police.