

# LegCo to consider Inland Revenue (Amendment) (No. 4) Bill 2018

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council (LegCo) will hold a meeting on Wednesday (October 31) at 11am in the Chamber of the LegCo Complex. During the meeting, the Second Reading debate on the Inland Revenue (Amendment) (No. 4) Bill 2018 will resume. If the Bill is supported by Members and receives its Second Reading, it will stand committed to the committee of the whole Council. After the committee of the whole Council has completed consideration of the Bill and its report is adopted by the Council, the Bill will be set down for the Third Reading.

The Supplementary Appropriation (2017-2018) Bill and the Inland Revenue (Amendment) (No. 6) Bill 2018 will be introduced into the Council for the First Reading and the Second Reading. The Second Reading debate on the Bills will be adjourned.

On Members' motions, Mr Kenneth Leung will move two proposed resolutions under section 34(4) of the Interpretation and General Clauses Ordinance respectively. The first proposed resolution is to extend the period for amending the Tax Reserve Certificates (Rate of Interest) (Consolidation) (Amendment) Notice 2018 laid on the table of the Council on October 10, 2018 to the meeting of November 28, 2018. The second proposed resolution is to extend the period for amending the Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income) (Republic of India) Order and the Inland Revenue (Double Taxation Relief with respect to Taxes on Income and Prevention of Tax Evasion and Avoidance) (Republic of Finland) Order laid on the table of the Council on October 10, 2018 to the meeting of November 28, 2018.

Ms Claudia Mo will move a motion under Article 73(5) and (10) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China. The motion states: "That, pursuant to Article 73(5) and (10) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, this Council summons the Secretary for Security, Mr John Lee and the Director of Immigration, Mr Erick Tsang, to attend before the Council on November 21, 2018 to produce all relevant papers, books, records or documents and to testify or give evidence in relation to the incident of the Hong Kong Special Administrative Region (HKSAR) Government's refusal to renew, for no reason, the work visa of Mr Victor Mallet, Vice President of the Foreign Correspondents' Club, Hong Kong and Asia news editor of the Financial Times, thereby causing concerns locally and internationally that the HKSAR Government suppresses freedom of the press and freedom of speech through political means."

Ms Mo will also move a motion under the Legislative Council (Powers and Privileges) Ordinance. The motion states: "That this Council appoints a

select committee to inquire into the incident of serious land subsidence of buildings near the construction site of To Kwa Wan station of the Shatin to Central Link, and whether the incident involved ineffective monitoring by the Hong Kong Special Administrative Region Government and the MTR Corporation Limited and their deliberate concealment of the land subsidence problem, and other related matters; and that in the performance of its duties the committee be authorised under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap 382) to exercise the powers conferred by section 9(1) of that Ordinance."

Mr Lam Cheuk-ting will move a motion under the Legislative Council (Powers and Privileges) Ordinance. The motion states: "That this Council appoints a select committee to inquire into matters relating to the MTR Corporation Limited's alleged concealment of the substandard construction works and alternations to the construction drawings of the Shatin to Central Link (SCL), alleged failure to suspend the construction works and notify the public when the settlement of some monitoring points is found to have exceeded the pre-set trigger levels during the construction of eight stations along SCL, and subsequent proposal of relaxing the pre-set trigger levels for temporary suspension of works of the monitoring points near the construction site of the Exhibition Centre Station of SCL, and other related matters, and that in the performance of its duties the committee be authorised under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap 382) to exercise the powers conferred by section 9(1) of that Ordinance."

In addition, Mr Michael Tien will move a motion on restructuring the governance of MTR Corporation Limited. The motion states: "That the MTR Corporation Limited (MTRCL) has built and operates 11 railways in Hong Kong, and in the future, seven new railway projects will most likely be assigned to MTRCL; the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the service quality, corporate governance and supervision of works of MTRCL; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to restore public confidence in MTRCL:

(1) setting up an independent railway development department – given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the Secretary for Transport and Housing;

(2) planning new development areas in tandem with their ancillary railway

facilities – in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, and the SAR Government then constructed railways in a rush, thus causing the works quality to fall; hence, new development areas and ancillary railway facilities should be planned in tandem in order to prevent the quality of railway projects from being affected by very tight work schedules;

(3) urging MTRCL to regularly review its investment strategy of updating the signalling system – in the past, repeated serious disruptions of MTR train services were caused by the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration, so as to ensure provision of stable and reliable public transport services to passengers;

(4) rationalising the appointment of the Chairman and the Chief Executive Officer of MTRCL – to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL, being the two highest persons-in-charge, should have an engineering background to facilitate monitoring of the works progress at the highest level;

(5) supervising MTRCL in reviewing the criteria of its internal tendering system – when drawing up the criteria of its internal tendering system, MTRCL should study following the criteria of the tendering system of the SAR Government which draw greater reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of 'the lowest bid wins' and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid monopolisation;

(6) requiring MTRCL to strengthen the project management notification system – MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements; and

(7) raising MTRCL's requirements for supervision of the works of contractors – MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including considering the introduction of the Contractor Management Handbook for public works to conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works, performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, thereby effecting more stringent supervision of railway projects."

Mr Luk Chung-hung, Mr Chan Han-pan, Dr Kwok Ka-ki and Mr Lam will move separate amendments to Mr Tien's motion.

Mr Chan Chi-chuen will move a motion on studying the formulation of policies for homosexual couples to enter into a union. The motion states: "That this Council urges the Government to study the formulation of policies for homosexual couples to enter into a union so that they can enjoy equal rights as heterosexual couples."

Dr Priscilla Leung, Mr Au Nok-hin and Mr Gary Fan will move separate amendments to Mr Chan Chi-chuen's motion.

During the meeting, the Chief Secretary for Administration will present the Government Minute in response to the Report of the Public Accounts Committee No. 69A and No. 70 of May and July 2018 and address the Council.

Members will also ask the Government 22 questions on various policy areas, six of which require oral replies.

The agenda of the above meeting can be obtained via the LegCo Website ([www.legco.gov.hk](http://www.legco.gov.hk)). Please note that the agenda is subject to change, and the latest information about the agenda could be found on the LegCo Website.

Members of the public are welcome to observe the proceedings of the meeting from the public galleries of the Chamber of the LegCo Complex. They may reserve seats by calling 3919 3399 during office hours. Members of the public can also watch or listen to the meeting via the "Webcast" system on the LegCo Website.