



Dear Assignment/News/Business Editor,

Hong Kong Institute of CPAs Vows to Advance Chief Executive's Policy on Financial Development, Education and Taxation

(HONG KONG, 10 October 2007) — The Hong Kong Institute of Certified Public Accountants says the Chief Executive's decisions to lower taxes and pursue the policy of "polluter pays" are good directions for the territory.

The chief executive of the Institute, Winnie C.W. Cheung, says the policy statement promotes the sharing of responsibilities among the government, business and families in an even-handed way, and that the Institute shares an interest in four particular areas: taxation, education, pollution and families.

"Our tax rates are vital to our competitive position as a financial hub," says Ms. Cheung. "The Chief Executive's thinking is in line with the viewpoint of the accounting profession in this regard."

The Institute proposed cuts in corporate and personal taxes, in its most recent budget proposals, that would bring tax rates close to 2002-2003 levels. "With a very substantial fiscal surplus, the government now has good reasons to cut taxes," says Ms. Cheung. She cautioned that the tax cuts shouldn't narrow the tax base, which in the view of the profession, could jeopardize Hong Kong's long-term financial position.

The Chief Executive's policy of "polluter pays" has always received the Institute's support as a fair and reasonable way to clean up the city's environment. "The pollution we're seeing is driving away talent," says Ms. Cheung, "and anything the government can do to change our environment for the better is great."

The Institute shares the Chief Executive's emphasis on education, according to Ms. Cheung. "Hong Kong's success is built on the knowledge and expertise of its people, including its professionals. The focus of the accounting profession is on quality and its aim is to build a world class profession in support of Hong Kong. The government's policy should lay down the educational infrastructure that can take this shared direction even farther."

The Chief Executive's policy direction for helping families help themselves is backed by the accounting profession's programme to teach families about financial management. "As a professional body, we share 100 percent in his aspiration to help families prosper as a unit and we hope to do more. Our 'Rich Kid, Poor Kid' programme reaches out to children as young as eight years old – and their parents – to give them the secrets of money management," says Ms. Cheung. "It's a powerful notion – that all our young people will know how to handle money and use it to change lives for the better."

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About Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorised by law to register and grant practising certificates to Certified Public Accountants in Hong Kong. The Institute has more than 26,000 members and over 11,000 registered students. Members of the Institute are entitled to the description *Certified Public Accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of The Global Accounting Alliance - an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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