

獅子山學會

The Lion Rock Institute

The Road to Tax Haven

And can we maintain it?

Oct 2009

TAX HAVEN BY ACCIDENT

- Good outcome with bad intention
- Colonists only wanted tax system that had the least interference to their trade business but maintained a minimal government.
- Flat Tax introduced in 1947 (16%)
- How about compare to the world for now?
- Majority of Hong Kongers pay substantially less



獅子山學會

The Lion Rock Institute

Jersey	1940	20 percent
Hong Kong	1947	16 percent
Guernsey	1960	20 percent
Jamaica	1986	25 percent
Estonia	1994	22 percent
Latvia	1995	25 percent
Lithuania	1996	27 percent
Russia	2001	13 percent
Slovakia	2004	19 percent
Ukraine	2004	15 percent
Iraq	2004	15 percent
Romania	2005	16 percent
Georgia	2005	12 percent
Trinidad & Tobago	2006	25 percent
Pridnestrovie	2006	10 percent
Iceland	2007	35.7 percent
Mongolia	2007	10 percent
Kyrgyzstan	2007	10 percent
Kazakhstan	2007	10 percent
Macedonia	2007	12 percent
Montenegro	2007	15 percent
Albania	2007	10 percent
Czech Republic	2008	15 percent
Bulgaria	2008	10 percent
Mauritius	2008	15 percent



- You know how much you are taxed
- So easy that don't bother to commit tax evasion



OUR CONTRIBUTION

- Past
- Present?



INTERESTING FACTS

- High Land Price “Policy” / Tax [35% of our revenue (2007)]
- Also Stamp Duty, Rates and Property Tax
- You can choose your tax rate!!
- Why work? High productivity (GDP/unit area), Property Rights, Transparent Transaction Records, Store of Wealth
- Again without the planning of the government, may end up terrible results if implemented by bureaucrats



太古城 > 太古城 近期呎價平均: \$7435(\$5573 - \$9925)

TAIKOO SHING 太古灣道 (期數表: [海景花園\(東\)](#) [海景花園\(西\)](#) [海天花園](#) [金殿台](#) [高山台](#) [觀海台](#) [安盛台](#) [星輝台](#) [翠湖台](#) [更多...](#))

[樓市成交](#) | [物業資料](#) | [平面圖](#) | [樓價走勢圖](#) | [中原地圖: 成交分佈](#) | [筭盤分佈](#) | [單位座向](#) | [google衛星圖](#) | [列印版本](#)

近期成交

[更多成交](#)

太古城海天花園富天閣 (57座) 中層 H室	中原地產	成交(12/10/09)	\$743萬	876呎	呎價: \$8482
太古城金殿台齊宮閣 (25座) 高層 D室	中原地產	成交(12/10/09)	\$500萬	675呎	呎價: \$7407
太古城高山台華山閣 (13座) 中層 D室	集團	成交(09/10/09)	(租)\$15200	691呎	呎價: \$22
太古城安盛台興安閣 (30座) 中層 H室	中原地產	成交(09/10/09)	\$457萬	675呎	呎價: \$6767
太古城金殿台漢宮閣 (24座) 中層 A室	中原地產	成交(08/10/09)	\$614萬	806呎	呎價: \$7615
太古城海景花園翠榕閣 (34座) 低層 C室	中原地產	成交(06/10/09)	\$760萬	983呎	呎價: \$7731

[我的追蹤屋苑 - 在此查看](#)

[所有追蹤屋苑之成交](#)

[加太古城到屋苑追蹤](#)

鄰近物業

[太古城 \(543宗\)](#)

[康怡花園 \(300宗\)](#)

[嘉亨灣 \(201宗\)](#)

[南豐新村 \(128宗\)](#)

[鯉景灣 \(98宗\)](#)

[太安樓 \(67宗\)](#)

[更多...](#)

[太古城 區內其他屋苑](#)

樓宇買賣合約 搜尋 (資料來源: 土地註冊署)

註冊日期	<input checked="" type="radio"/> 預設	近180日	市場類別	一手及二手市場
	<input type="radio"/> 自訂			
樓價(萬)		-	呎價(\$)	
樓齡(年)		-	面積(呎)	

[搜尋](#)

[重新整理](#)

根據以上搜尋條件, 共找到 **543** 宗二手成交 [由土地註冊處提供]

以下列出第 **1** 至第 **30** 宗成交:

成交一覽	成交詳情	上手詳情				
地址	樓齡	註冊日期	成交價	面積	呎價 [上手持有	升降]
	▲▼	▲▼	▲▼	▲▼	▲▼	▲▼
太古城 翠湖台 鄱陽閣 (2座) 19樓 B室	32	12/10/09	\$354萬	585呎	\$6051	-
太古城 海景花園 雅蓮閣 (41座) 6樓 B室	26	12/10/09	\$1055萬	1137呎	\$9279	[1827天 升66%]
太古城 海景花園 青松閣 (33座) 1樓 B室	29	12/10/09	\$688萬	999呎	\$6887	[0天 無升降]
太古城 海景花園 雅蓮閣 (41座) 4樓 C室	26	09/10/09	\$700萬	983呎	\$7121	[1203天 升41%]

相關CPN短片 (15段)



[《太古城》靚則王](#)

[更多...](#)

中原地產分行

太古城全日銀行



THREATS

Outside

- OECD, High Tax Jurisdictions

Within

- Mandatory Provident Fund (MPF) in 2001 – 10% Under \$20K/month
- Goods and Sales Tax (2006) – 5% Failed!
- Mandatory Medical Account – 5% Promoting
- Plastic Bag/Environment Tax – Ultimately a GST?



HOW WE DEFEND

- Why new taxes were introduced?
- Let bureaucrats have no excuse, how?
- Our GST Example
- Vigilance on government spending and size is always the solution
- You can also help!



BEST PRACTICE

A Public Policy Journal

1	From The Editor
2	Contributors
3	COVER STORY
4	Rebuilding Market Institutions After the Financial Crisis
5	Policy Recommended For The Market
6	Origins of the Financial Market Crisis of 2008
7	Monetarism Defiant
8	Leaders' Boonstief For Skulking Anatomists of Economics
9	Privatization Bears Fruit in the Big Apple
10	Master of Slaves
11	ONS AND ESOS
12	Patriotic Panic
13	Let's Not Lose Our Minds
14	Policy Recommended For The Market
15	Origins of the Financial Market Crisis of 2008
16	Monetarism Defiant
17	Leaders' Boonstief For Skulking Anatomists of Economics
18	Privatization Bears Fruit in the Big Apple
19	Master of Slaves
20	ONS AND ESOS
21	Patriotic Panic
22	Let's Not Lose Our Minds
23	Policy Recommended For The Market
24	Origins of the Financial Market Crisis of 2008
25	Monetarism Defiant
26	Leaders' Boonstief For Skulking Anatomists of Economics
27	Privatization Bears Fruit in the Big Apple
28	Master of Slaves
29	ONS AND ESOS
30	Patriotic Panic
31	Let's Not Lose Our Minds
32	Policy Recommended For The Market
33	Origins of the Financial Market Crisis of 2008
34	Monetarism Defiant
35	Leaders' Boonstief For Skulking Anatomists of Economics
36	Privatization Bears Fruit in the Big Apple
37	Master of Slaves
38	ONS AND ESOS
39	Patriotic Panic
40	Let's Not Lose Our Minds
41	Policy Recommended For The Market
42	Origins of the Financial Market Crisis of 2008
43	Monetarism Defiant
44	Leaders' Boonstief For Skulking Anatomists of Economics
45	Privatization Bears Fruit in the Big Apple
46	Master of Slaves
47	ONS AND ESOS
48	Patriotic Panic
49	Let's Not Lose Our Minds
50	Policy Recommended For The Market
51	Origins of the Financial Market Crisis of 2008
52	Monetarism Defiant
53	Leaders' Boonstief For Skulking Anatomists of Economics
54	Privatization Bears Fruit in the Big Apple
55	Master of Slaves
56	ONS AND ESOS
57	Patriotic Panic
58	Let's Not Lose Our Minds
59	Policy Recommended For The Market
60	Origins of the Financial Market Crisis of 2008
61	Monetarism Defiant
62	Leaders' Boonstief For Skulking Anatomists of Economics
63	Privatization Bears Fruit in the Big Apple
64	Master of Slaves
65	ONS AND ESOS
66	Patriotic Panic
67	Let's Not Lose Our Minds
68	Policy Recommended For The Market
69	Origins of the Financial Market Crisis of 2008
70	Monetarism Defiant
71	Leaders' Boonstief For Skulking Anatomists of Economics
72	Privatization Bears Fruit in the Big Apple
73	Master of Slaves
74	ONS AND ESOS
75	Patriotic Panic
76	Let's Not Lose Our Minds
77	Policy Recommended For The Market
78	Origins of the Financial Market Crisis of 2008
79	Monetarism Defiant
80	Leaders' Boonstief For Skulking Anatomists of Economics
81	Privatization Bears Fruit in the Big Apple
82	Master of Slaves
83	ONS AND ESOS
84	Patriotic Panic
85	Let's Not Lose Our Minds
86	Policy Recommended For The Market
87	Origins of the Financial Market Crisis of 2008
88	Monetarism Defiant
89	Leaders' Boonstief For Skulking Anatomists of Economics
90	Privatization Bears Fruit in the Big Apple
91	Master of Slaves
92	ONS AND ESOS
93	Patriotic Panic
94	Let's Not Lose Our Minds
95	Policy Recommended For The Market
96	Origins of the Financial Market Crisis of 2008
97	Monetarism Defiant
98	Leaders' Boonstief For Skulking Anatomists of Economics
99	Privatization Bears Fruit in the Big Apple
100	Master of Slaves

is MORE

Rebuilding marketing institutions
Monetarism defiant
The language of leadership
Hong Kong and capital controls
Combating the spread of fake medicines



Inside BEST PRACTICE

VOL. I No. 2 SUMMER 2009



5 From The Editor
6 From The Founders
7 Contributors

COVER STORY
8 Rebuilding Market Institutions After the Financial Crisis
Bill Stacey navigates financial risk and regulatory changes and shows us a ladder to climb out of the slump.

POLICY RECOMMENDED FOR THE MARKET

14 Origins of the Financial Market Crisis of 2008
Anna J. Schwartz suggests how to avoid a replay of the factors that produced the credit market debacle.

17 Monetarism Defiant
Guy Sorman on legendary economist Anna Schwartz - the facts have outplayed the financial crisis.

20 The Language of Leadership
Ron Manser honors Sir Arvi Purbo for his service and comments on the way forward, not only for Australia, but for all others on the way.

26 The Privatization of Public Services
John L. Chapman on why privatization is indeed the only hope for the rescue of once proud cities.

34 Hong Kong and Capital Controls
Jim Walker questions the controls in the betting arena.

GLOBAL PERSPECTIVE POLICY ANALYSIS
37 Combating the Spread of Fake Medicines Through Free Markets and Self-Interest
Julian Harris and Alec van Gelder call counterfeiting medicine and suggest systems to help China shed its "Tiananmen Area" label.

AROUND THE WORLD

42 Restoring the Freedom To Trade
Alec van Gelder on the Freedom to Trade Campaign's importance.

LEADERS' BOONSTIEF
45 For Skulking Anatomists of Economics
The Economic Naturalist reviewed by Michael Mo.

46 Privatization Bears Fruit in the Big Apple
Privatization in the City reviewed by Lawrence W. Reed.

ONS AND ESOS
48 Master of Slaves
Jackie Chan has declined the value of freedom to show his obedience.

50 Patriotic Panic
A lion fling plans spent in Manhattan causes panic.

52 Let's Not Lose Our Minds
The mass hysteria surrounding the spread of nerve gas does little to protect us.



Editor: Nicole Hanna Ajpet
Executive Director: Tony Wong
Design & Production: Fostoria Limited
Cover Artist: Tony Wong

Best Practice is published quarterly by The Lion Rock Institute for Economic and Policy Studies, a non-profit organization. The Lion Rock Institute is a registered charity in Hong Kong, and its operations are supported within that jurisdiction. It does not necessarily reflect the views of the Lion Rock Institute. The Lion Rock Institute welcomes suggestions of articles, material from the public, and other persons may first be sought.

Editorial Office:
Room 1007, The Hub Commercial Building
315-319 Des Voeux Road Central, Hong Kong
Tel: 852 2588 0162
Subscription Service: 852 2588 8101
Advertising: 852 2588 0162
Email: info@lionrockinstitute.org
Production: Fostoria Limited
www.fostoria.com.hk

Postmaster: Address Change:
Please send change of address to:
The Lion Rock Institute, c/o The Hub,
315-319 Des Voeux Road Central, Hong Kong
Tel: 852 2588 0162
Email: info@lionrockinstitute.org

Article Submissions:
All article submissions to Best Practice must be exclusive unless permission has been sought. Article length ranges between 600 and 1,000 words but may differ if editor's approval has been sought. Most authors of the articles should have a PhD or a Master's degree in a relevant field. The authors should send three copies of the article to the editor, including hard and soft copies, and should be ready to send to the publisher upon request.

Content Issues:
The Lion Rock Institute is a registered charity and its operations are supported within that jurisdiction. It does not necessarily reflect the views of the Lion Rock Institute. The Lion Rock Institute welcomes suggestions of articles, material from the public, and other persons may first be sought.

獅子山學會

The Lion Rock Institute



BILL STACEY

The Chairman of Hong Kong's leading free market think tank, The Lion Rock Institute. He is also on the Board of Advisors of the Manulka Economic Education Foundation. Professionally, Bill has been an executive with leading financial institutions in Asia and globally. He is currently a partner in boutique equity house, Anson Capital.



ANNA J. SCHWARTZ

One of the world's greatest monetary economists and author. She has written twenty books that track the trends of creativity and modern capitalism. Her ideas about renewable energy and environmentalism in her book *Progress and Its Enemies* are particularly controversial. He is currently working on a book on *Economics as a Science*.



GUY SORMAN

French professor, columnist and author. He has written twenty books that track the trends of creativity and modern capitalism. His ideas about renewable energy and environmentalism in his book *Progress and Its Enemies* are particularly controversial. He is currently working on a book on *Economics as a Science*.



RON MANSER

A fourth generation prospector with over 40 years of experience in the mining industry in WA. He is Chairman of the Manser Group of private companies, and is also the Managing Director of Manser Education Foundation, an educational foundation. He is currently working on his next book entitled *Heroic Mindset*.



JIM WALKER

The founder and managing director of Asiomatic Limited, an economic research and consultancy company. Prior to establishing Asiomatic in December 2007, he was the chief economist at CLSA Asia-Pacific Markets. He was voted best regional economist by the *Asiomatic Stockbrokers Poll* between 1994 and 2004 as well as frequent number one ranking in the private *Coastwatch* surveys of fund managers in Asia, Europe and America.



JOHN L. CHAPMAN

An Adjunct Scholar in Economics, working at AGI under the auspices of the National Research Initiative where he researches and writes on the history and impact of private equity investment on the U.S. economy.



ALEC VAN GELDER

Project Director of the Trade and Development Programme at International Policy Network, a think tank based in London. He works on international health policy and has recently authored articles on counterfeiting and substandard drugs published in many news outlets. Last month 1978 launched his paper on the topic, "Keeping it Real: Combating the spread of fake drugs in poor countries."



JULIAN HARRIS

A Research Fellow at the Center for Public Policy at City University of Hong Kong. His experience campaigning for Barack Obama in America inspired him to attempt to apply similar campaign strategies in Hong Kong. Michael is a native of Hong Kong and is based in Fungshui. He is also the editor of the *Manulka* think tank and is currently working at The Lion Rock Institute for the summer.



MICHAEL MO

In his final year of studies at City University of Hong Kong. His experience campaigning for Barack Obama in America inspired him to attempt to apply similar campaign strategies in Hong Kong. Michael is a native of Hong Kong and is based in Fungshui. He is also the editor of the *Manulka* think tank and is currently working at The Lion Rock Institute for the summer.



LAWRENCE REED

Served as a McKinsey Center for Public Policy's President, a Midwestern-based research and educational institution, for its first two decades starting from 1987. At age 51, he became professor emeritus of the Center. He returned to the Center in September 1, 2008. Reed assumed the presidency of the Foundation for Economic Education, headquartered in Irvington, New York.



EUGENIO SUAREZ

Currently an Economics Philosophy major at Columbia University in New York City, majoring in Economics/Political Science. He interned in the Louisiana State Governor's Office where he researched the effects of federal legislation on elderly welfare recipients living on Medicaid. He was a member of the South Asia club and active in the Economics service club. Ansel also has a good command of Hindi and is a native of Baton Rouge. He is currently working at The Lion Rock Institute for the summer.



ANU JHUNJHUNWALA

A junior at Columbia University in New York City, majoring in Economics/Political Science. He interned in the Louisiana State Governor's Office where he researched the effects of federal legislation on elderly welfare recipients living on Medicaid. He was a member of the South Asia club and active in the Economics service club. Ansel also has a good command of Hindi and is a native of Baton Rouge. He is currently working at The Lion Rock Institute for the summer.



Contacts



- Peter Wong
Executive Director
Email: peter.wong@lionrockinstitute.org
- Nicole Alpert
Communications Manager
Email: nicole.alpert@lionrockinstitute.org
- Michael Ying
Development Manager
Email: michael.ying@lionrockinstitute.org
- Address: Suite 1207, Kai Tak Commercial Building, 317-319 Des Voeux Road Central, HK
Tel: (852) 8101 2112
Fax: (852) 3015 2186

