

**Advisory Committee on New Broad-based Taxes  
Terms of Reference**

Under the principle of maintaining a low and simple taxation regime and preserving Hong Kong's competitiveness,

- (a) to consider what types of broad-based taxes (including consumption-related taxes) may be suitable for introduction in Hong Kong, taking into account the following considerations:
- + revenue productivity on a recurrent basis
  - + revenue productivity less sensitive to economic cycles
  - + the burden on the economy
  - + the impact of the development of electronic commerce
  - + cost-effective to administer
  - + simple to comply with
  - + equitable
- (b) in the light of the findings at (a) above, to advise on the implementation of the identified specific broad-based taxes
- (c) to solicit views from the Legislative Council, the community at large and interested parties
- (d) to submit to the Financial Secretary a progress report by November 2000 and the final report by the end of 2001.