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Tung Feng

VOL. 50 No. 13

2nd October, 2002

What Happened Last Week

President Chris opened the meeting by asking PP C.Y. to introduce this week's visiting Rotarians and guest, namely, Tom Sheppard of HK South, Francesco Cavazzoni of HK South, Pres. Bernie Ting also of HK South and Andy Wong, a future member of HKIE to be inducted next week.

President Chris, who had just returned from Europe early this morning, then welcomed back IPP Stephen from his trip to Beijing. Totally refreshed, IPP Stephen commented about the beautiful weather he had enjoyed in Beijing.

The birthday boys today were Rtn Sam Wong and PP Andrew Chen. PP John led the birthday song for our two what he called "worthwhile" Rotarians. A term PP John has yet to clarify.

PP John went on to remind members of the upcoming District Conference in Macau to be held on Oct 19-20. According to PP John, while the club had reserved 10 seats for the event, only 3 people signed up. Shortly after this announcement, our members, in their usual Rotary manner, quickly rose to the occasion and filled up the remaining 7 slots.

Next came the sergeant-at-arms report. With 22 members and 4 guests present, Laurence collected a handsome amount of HK\$1600 for the red box.

PP Tim then introduced our speaker, Philip Hung. A senior tax manager at PriceWaterhouseCoopers, a Rotary member of Happy Valley and a relative of PDG Anthony Hung, Philip gave the audience an overview on the subject of tax compliance and audit in Hong Kong.

In the area of compliance, Philip offered three suggestions, namely, to meet filing deadline, ensure to tick the right box and keep proper books and records.

Philip then turned his discussion to the more "juicy bit", that is, tax audit. To make up for the revenue shortfall resulting from sluggish land sales, the Hong Kong SAR government has been looking for ways to increase revenues. Inland Revenue is doing their part and is actively going after those with back taxes and imposing penalty on offenders. Focusing on three tax audit areas (i.e.



THE ROTARY CLUB OF HONG KONG ISLAND EAST

香港東區扶輪社週報

Club 4350

District 3450

Chartered on 6 April, 1954 by Charter President
PDG (Uncle) John Yuen

Tax Investigation, Field Audit and Anti-Avoidance), Inland Revenue has a set of well-defined tax audit assessment procedures starting from initiating interviews, obtaining evidence, to assessing penalties.

Inland Revenue relies heavily on informers, referrals, project results to identify potential targets for tax audit. Once targets are identified, the department would collect data from available financial statements, newspaper clippings, web-sites, prospectuses and internal files to construct the necessary supporting documents for assessment.

If the assessment proves to be unfavorable, in addition to back taxes, Inland Revenue can impose additional taxes, compound penalty and/or prosecution on offenders. Recent prosecution example included a famous lady talk-show host in Hong Kong. Philip hinted that filing incorrect returns, providing incorrect information and/or filing late could be ground for Inland Revenue to impose penalties.

The efforts Inland Revenue spent on going after back taxes and imposing penalties are apparently paying off. Recent statistics show that Inland Revenue has been successfully in recovering back taxes in billions of dollars. What's in store for the future? Inland Revenue is working on projects such as self-assessment by taxpayers, more field audits, e-business and sales tax.

In conclusion, Philip offered the following advice: prevention is better than cure. One needs to keep proper books and records and regularly review the tax position including any tax arrangement.

At the end, Rtn Bill raised a number of probing questions regarding effectiveness of Inland Revenue in detecting tax dodgers and responsibility of tax accountants. The lesson learned was that Inland Revenue could use different means to catch potential tax dodgers and tax accountants are not liable for your tax return. The Q&A session was lively and informative indeed.

Clark gave a formal thanks to Philip for his in-depth review of compliance and tax in Hong Kong.

Next week program would be a golf workshop in preparation for the upcoming Uncle Peter Cup.

Today's session ended with a toast to Rotary International and Hong Kong South.

~ Upcoming Speaker Events ~

<u>Date</u>	<u>Subject</u>	<u>Speaker</u>
Oct. 2	Golf Talk	Mr. Edmund Tong USPGA Golf Professional, San Diego
Oct. 9	Best Practices & Knowledge Management	Mr. Trevor Lui Hong Kong Productivity Council
Oct 16	Kayaking & Hiking in Hong Kong	Mr. Paul Etherington Kayak-and Hike

Rotary Information

Despite the membership growth of our district is shrinking, the worldwide Rotary grows by 4.6 percent in 2001-02 as per an article appeared in the Rotary World.

Rotary clubs added 54,939 members to their rolls in 2001-02 Rotary year, bringing net membership worldwide to 1,243,431, a 4.6 percent increase over the previous year and the best one year growth ever. More than 1,100 Rotary clubs were chartered in the year ending 30 June 2002, bringing the net total to 31,256 clubs in 163 countries.

The greatest percentage membership growth was in Asia, where six countries -- Bangladesh, India, Korea, Malaysia, Philippines and Thailand -- registered double-digit percentage increases. Membership in Rotary clubs in India grew almost 18 percent, for a net gain of 14,209 members, making the country the world leader in the number of new Rotarians. Indicative of Rotary dynamism in the region, the Rotary Club of Daegu-Eagle, Korea, which was chartered on 12 July 2001 with 25 members, grew to a membership of 173 in less than a year and sponsored another new club, the Rotary Club of Daegu-Banya, in May 2002.

Growth occurred in virtually every area of the world. Besides India, 10 other countries with at least 2,000 Rotarians each netted more than 1,000 members last year. They were the United States, 8,618; Korea, 7,398; Philippines, 2,929; Italy, 2,495; Brazil, 2,166; Germany, 1,971; Nigeria, 1,637; Bangladesh, 1,577; England, 1,429; and Turkey, 1,272.

A major impetus for the growth was Rotary's Global Quest, the campaign that called for each Rotary club to induct at least one member a month, with a minimum net gain of five members for the year. It also asked each district to form a minimum of three new clubs.

The five districts that led the way to raising membership levels and organizing new clubs were 3150 (India), 3260 (India), 3700 (Korea), 3790 (Philippines) and 9140 (Nigeria). The top 10 clubs were Bareilly North, Cuddalore Central, Green Woods-Yellandu, Jaggayapet, Mangalore East, and Murwara, all in India, Uttara, Bangladesh; Daegu-Eagle, Korea; Sentul, Malaysia; and Paranaque-Lakambini, Philippines.

43rd District Conference of D.3450.

Please be informed that the 43rd District Conference will be held much earlier this year, from 19th to 20th October 2002 at the Macau Tower, Convention and Entertainment Centre, Macau.

Our club will subsidize each member who participates at the coming District Conference with the registration fee of HK\$1,400.00 per head inclusive of coffee breaks, governor's banquet, lunch and visit to the Macau Tower)

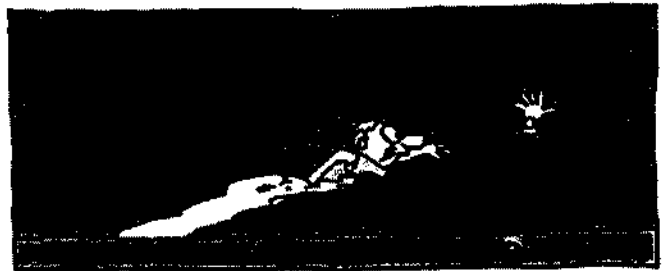
All other activities such as pre-conference golf tournament, sight-seeing, etc. will be for account of the participants.

Please contact PP John Kwok for further details should you wish to attend the conference.

LAUGH FOR THE WEEK

George went on a vacation to the Middle East with his Family including his mother-in-law. During their vacation in Jerusalem George's Mother-in-law died. With the death certificate in his hand, George went to the American Consulate Office to make arrangements to send the body back to the United States for a proper burial. The Consul told George that to send the body back to the United States for burial is very, very expensive. It could cost him as much as \$5,000.00. The Consul told him, in most cases the person responsible for the remains normally decides to bury the body here in Jerusalem. This would only cost him \$150.00. George thinks for sometime and answers, "I don't care how much it will cost to send the body back; that's what I want to do." The Consul says "You must have loved your Mother-in-law very much considering the difference in price." "No, it's not that," says George.

"You see, I know of a case many, many years ago of a man that was buried here in Jerusalem. On the third day he arose from the dead! I just can't take that chance!



YEAR 2002-2003

Ex-Officio IPP Stephen Liu	Vice President Rudy Law	President Elect Henry Chan	President Chris Howe	Secretary Eddy Wong	Treasurer Clark Lu	Advisor PDG Peter Hail
Directors :						PP Council Rep
PP John Kwok	PP George Leung	Laurence Chan	Paul Chan	Jason Chiu	Danny Kilis	PP Tim Lui

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**ROTARY CLUB OF HONG KONG ISLAND EAST MEETS EVERY WEDNESDAY, 12:30 p.m. AT
EXCELSIOR HOTEL, CAUSEWAY BAY**



Our speaker for the day was Mr. Philip Hung, Senior Manager of PricewaterhouseCooper, talking to us on "Taxation - Compliance & Investigation".



At the right head table is Hon. Sec. Eddy, Hon. Tres Clark & Dir. Jason all smiling happily.



(l to r) Francis, Robert, Dir. Paul, & Dir. Laurence looking smartly at the camera.



A very friendly group enjoying their dessert, (lt to rt)IPP Stephen, Dr. Tony, PP Hubert,PP Tim, PP Andrew & Rtn Sam.



Mr. Andy Wong enjoying his free meal because he will be inducted next week.



Three regular visitors (L to R) Tom Sheppard, Pres. Bernie Ting, & Francesco Cavazzoni all from HK South.



PP John IV leads the birthday song for two very "worthwhile" Rotarians in Sam & PP Andrew as Pres. Chris looks on suspiciously not too sure what PP John means.



Group Photo of our visiting Rotarians, guest speaker, & guest taken with PDG Uncle Peter & Pres. Chris on 25th Sept., 2002



Congratulation to Rudy on the First Anniversary of his eFactoring Company "Conven" on 26th Sept., 2002. Photo above showing all Rotarians of HKIE who showed up to help him celebrate this occasion. Pictured from the left are Pres Chris, Roy Grubb a former member of our club, PP John IV, PDG Uncle Peter, Rudy Law, PP Hubert, Laurance, PP Desmond, & Heron.

43rd District Conference

Pro-forma Programme

Venue : Macau Tower, Convention & Entertainment Centre, Macau

Theme : Sow the Seeds of Love

19th Oct. 2002

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| 12:30 nn | Registration and Fellowship (Reception Foyer Level 4) |
| 2:00 pm | Rotary Song |
| 2:10 pm | Opening Ceremony and Opening Session <ul style="list-style-type: none">• Official opening of District Conference• Welcoming remarks• Induction of guest of Honour and District Dignitaries |
| | First Plenary Session <ul style="list-style-type: none">• Opening address• Introduction of guest of Honour the Hon. Dr. Edmund Ho, Chief Executive of Macau, SAR• Speech by the Hon. Dr. Edmund Ho. |
| 3:00 pm | Recognition of Attendance
Announcement |
| 3:10 pm | Coffee Break |
| 3:30 pm | Second Plenary Session <ul style="list-style-type: none">• Introduction of RI President's Personal Representative Past R.I. Director,• Address (<i>Picture of Rotary Worldwide by Past RI Director</i>) |
| 4:00 pm | Polio Eradication Program Update
Rotary Foundation Update
Recognition of Major Donors |
| 4:45 pm | Announcements |
| 7:00 pm | Governor's Banquet |
| 7:30 pm | Welcoming Remarks
Introduction of Special Guests
Dinner and Entertainment |

20th Oct. 2002

- 8:00 am Special Breakfast Meeting for PDGs and Partners, Presidents & President-elects and Partners, New Members and Partners (Terrace & Grand Halls 8, Level 4)
Address by Past RI Director
- 9:00 am Third Plenary Session
• Rotary's Song
- 9:10 am Introduction of guest speaker Madam Oyunbileg, First Lady, Republic of Mongolia
Address "For Human Good Foundation" by Guest Speaker
Address -- RI Theme "Sow the Seeds of Love" by Past RI Director
Recognition of Special Guests and Outstanding Rotarians
Hepatitis B Prevention Program Update
- 10:20 am Coffee Break
- 10:40 am Fourth Plenary Session
GSE Team Reports Experience at District 1110
Open Forum on Matters related to GSE Team, Ambassadorial Scholars and Matching Grants
- 11:30 am New Generation Panel: Rotaractors and Interactors
Open Forum
- 12:45 pm Lunch
RI Convention Promotion Update
- 2:00 pm Fifth Plenary Session
• Business session
• Adoption of audited annual statement of District Finance Committee,
• Resolutions and other district business
- 3:00 pm Closing Remarks
- 4:30 pm Acknowledgment
AULD LANG SYNE

~ End of Programme ~