



東風



TUNG FENG

香港東區扶輪社週報 THE ROTARY CLUB OF HONG KONG ISLAND EAST

Last week's Proceedings -

4th April, 2007

In the absence of Pres. Paul Acting President PE Laurence opened the meeting by welcoming everyone to the meeting. He then asked PP John IV to introduce the visiting Rotarians. He welcomed the two overseas visiting Rotarians, they were:

Rtn Stig Johnson (Lund, St. Knut, Sweden) and Rtn. Ken Tramburger (Torrey Pines, Calif. USA).

We also have 8 visiting Rotarians from Hong Kong Harbour. They are President Benny Tam, PP Kay Lau, PP Antonio Chu, PP Grace Yen, PP Veronica Dekrey, Rtn Yoshi Takenaka, Rtn Eddie Wong, and Secretary Wendy Lau.

The Acting SAA Uncle Peter reported a collection of \$800.

Hon. Secretary Andy made 2 announcements:

- a. 25th April 2007 with HK Northwest, Metropolitan, Shatin at Excelsior (speaker Anthony Wu),
- b. We move our meeting from (Excelsior) 2nd May 2007 to HK North at Harbour View on 3rd (Thursday) May 2007 to have a 4 Generation joint club meeting,

Acting President then asked for the exchange of banners, we exchanged one banner with Rtn. Stig Johnson and gave one banner to Rtn Ken Tramburger and got an IOU from him.

Today's birthday boy is PP Rudy Law, Rudy invited PP Uncle John to lead the birthday song.

PP Tim Lui introduced our speaker today who is none other than our own Rotarian Peter Yeung. Peter had worked for Price Water House Cooper for 21 years before retiring 3 years ago, he has since then practicing on his own. Peter was specialized in US taxation. His talk is about "U.S. taxation with relevance to Hong Kong".

Peter started the talk by emphasizing that his talk is prepared mainly for "non-US persons" with relation to US Taxation system. If you are a U.S. person living and/or working in Hong Kong, many of the points covered in his talk will not apply to you. The following is the outline of his talk.

United States does not have a tax treaty with Hong Kong. Hong Kong is not interested or is in a hurry to enter into a treaty negotiation with United States. The tax treaty between China and United States does not extend to Hong Kong. As the tax system of Hong Kong is based on source concept and Hong Kong is a low tax jurisdiction, there would not be much to gain for Hong Kong with a tax treaty.

Many of you might have already been aware that U.S. persons (U.S. persons include U.S. citizens and residents and corporations) are taxed on the basis of world-wide income. And Non-U.S. persons are generally taxed only on U.S. sourced income. Two types of income are applicable to foreign persons and below is the technical language:

Income effectively connected with a U.S. trade or business (e.g. compensation for personal services) subject to progressive tax rates from 10 – 35%;
Income not effectively connected with a U.S. trade or business (e.g. investment income such as dividends) subject to a fixed rate of 30% and
Assets located in United States are subject to Estate and Gift tax at max. at 45% (exemption US\$60,000 only).

Example 1

Many executives travel to United States on vacation and business. If you are on vacation, you have no income tax to worry about. If you are on business, then you could run into the 90/3000 rule. The rule is 90 days or US \$3,000 whichever comes first. Say, if you earn US\$250,000 a year, you make US\$690 a calendar day. If you work 5 days in New York, you have already earned over \$3,000. Your income is subject to tax. Very few foreigners are aware of this. The threshold \$3,000 is too small and has not been updated as far as I could remember (30 years).

Example 2

A young boy is attending University in United States. He has a relatively rich father to support him. His father wishes to buy a house so his son can live in it and he considers that ownership of a house is a good investment. The father asks who should be buying it or holding title to the property – father or son.

If father is buying and holding title to the property and his son lives in it, the father is subject to:

income tax at the capital gain tax rate at 15% upon disposal;

Estate tax upon death; and

Gift tax if he wishes to gift the real property to his son later.

If father first gift cash to his son and his son is buying and holding title to the property, the tax consequences would be:
father has no tax issue;
son can realize a tax free capital gain (up to US\$250K) upon disposal if he lives there 2 out of five years; and
son is subject to Estate tax.

Example 3

Investment in shares/stocks of U.S. companies by a non-US person, the tax would be:
Dividends income – taxed at 30% by way of withholding;
Gain/loss upon disposal – no tax; (Watch out the 183-day rule for individual investors) and
Shares are subject to Estate tax upon death.

To avoid the 183-rule and Estate tax, use a foreign corporation to invest in the U.S. stock market if your portfolio is over US\$60,000.

Conclusion

I have not dealt with transactions between U.S. and non-U.S. persons and that could be a topic in itself. If we still have time, I would be more than happy to hear examples from you.

PP Rudy has raised 3 questions which occupied most of the Q&A time, PP Stephen also had concern regarding his son working in the United States. Peter gave a definition of US persons which is not necessary limited to US citizens or US permanent residents.

Acting President Laurence invited Rotarian Norman to give the vote of thanks.

He then closed the meeting with a toast to RI and the Rotary Club of Hong Kong Harbour, and the Rotary clubs of Lund, St Knut, Sweden and Torre Pines CA USA.

Rotary Information

Presidential Citation

D.G. Tony has been disappointed in receiving only a dozen of response regarding Presidential Citation Application from clubs due to lack of the eligibility criteria of the said Citation requirements. Hence it is reproduced hereunder for information.

Membership Goal (required)

Develop and implement a membership recruitment plan to achieve a net increase of one member by 1st April 2007.

Membership

Invite at least one Rotary Foundation alumnus or alumna to join your club.

Encourage diversity of membership and promote a balanced membership. Induct new members from demographic groups not currently represented in your club.

Sponsor a new Rotary club.

Develop a certificate, or other form of recognition, to recognize individuals who bring in new members.

Club Service

Ensure that every Rotarian in your club is personally invited to take an active part in club activities this year, whether it be saving on a project committee or taking responsibility for some aspect of club service.

Recognize a Rotarian in your club who actively participates in the full range of club projects and programmes with the Four Avenues of Service Citation for individual Rotarians.

Convene a meeting of the club leadership, including incoming officers, to discuss strategic goals for the next three to five years.

Make a club contribution to PolioPlus.

Develop and initiate a new project in support of Club Service.

Invite members to bring their spouses or children to a club meeting or event on at least five occasions.

Welcome and include non-Rotarian family members (for example, spouses, adult children, parents, widows, widowers) into the family of Rotary through service and fellowship activities.

During Family Month (December) recognize the importance of Rotarians' families and their contributions to your club's success.

Attain 80 percent attendance or higher at club meetings for the first six months of the Rotary year.

Implement a club programme on PolioPlus and the role of Rotary International in the Global Polio Eradication Initiative.

Connect with the community by inviting a speaker from a local non-governmental organization (NGO) or community group or organizing a joint project with another local organization.

Update the club bylaws or adopt the Recommended Rotary Club Bylaws.

Promote a club project in your local media.

Develop a long-range plan for your club that addresses membership, service projects, public relations. The Rotary Foundation, and club administration.

Involve all members in a fellowship event.

Vocational Service

Ask each member of your club to share information on Rotary International and the club's activities with their places of business or professional associations.

Dedicate at least two club meetings to discussing the enormous potential that vocational service can offer for raising the quality of life and upholding the strong ethics and integrity exhibited by Rotarians.

Encourage members to display The Four-Way Test in their places of business.

Hold a forum on ethics and the application of The Four-Way Test in business and professional life, or present all new club members with a copy of the Declaration of Rotarians in Businesses and Professions.

Develop a project to improve literacy in the workplace.

Ask each member of your club to mentor a young person.

Develop and initiate a new project in support of Vocational Service.

Sponsor or participate in a career development project for people with disabilities.

Sponsor or participate in a skills retraining project for those returning to the work force.

Organize a special vocational service activity during Vocational Service Month (October), or register a club member as a Rotary Volunteer.

Have at least one member provide an internship at their place of business to a high school or college student.

Community Service

Implement a joint project with another local organization in which club members contribute to planning and hands-on efforts.

Conduct a water project in your community.

Share Rotary with the general public by placing a Rotary public image campaign PSA (public service announcement) in a print publication, on a radio or television program, or on a billboard.

Conduct a community needs assessment, and establish one new service project this year in support of Community Service.

Complete a service project that meets the needs of the community and involves those being helped.

Involves all club members in a service project.

Sponsor or participate in a health awareness campaign or a project that addresses health concerns.

Sponsor a new interact club, Rotaract Club or Rotary Community Corps.

Conduct a Rotary Youth Leadership Awards (RYLA) event.

International Service

Achieve the Every Rotarian, Every Year goal of US\$100 or more per capita in Annual Program Fund contributions.

Participate in at least one PolioPlus or PolioPlus Partners project.

Help the members of your club understand the internationality of Rotary by participating in an international exchange program such as Group Study Exchange, Rotary Friendship Exchange or Rotary youth Exchange.

Submit an application for a strong, well-qualified candidate to compete at the district level for at least one Rotary Foundation Educational Programs award (Ambassadorial Scholarship, Group Study Exchange (GSE) team member or leader, Rotary World Peace Fellowship, Rotary Peace and Conflict Studies Fellowship or Rotary Grant for University Teacher).

Register a project with RI as a Rotary Volunteer Project Site.

Seek a Rotary Foundation Matching Grant for a water, health, hunger or literacy project.

Support or register a project on the World Community Service (WCS) Projects Exchange.

Develop and initiate a new project in support of International Service.

Electronic Make-up Questions

~~You can submit an electronic makeup for this missed meeting by answering the following questions:~~

1. Who Introduced the visiting Rotarians today?

Answer:

2. Who were the two visiting Rotarians and where did they come from?

Answer:

3. We also have a big contingent from one Rotarian club, what Rotary club did they come from?

Answer:

4. Who was our birthday boy today?

Answer:

5. Who introduced our speaker today?

Answer:

6. Who was our guest speaker today?

Answer:

7. What did he talk about?

Answer:

8. What was the Rotary Information on today?

Answer:

9. What six topics did it cover?

Answer:

Name:

Email:

Jokes

Testifying Grandma

Lawyers should never ask a Mississippi grandma a question if they aren't prepared for the answer.

In a trial, a Southern small-town prosecuting attorney called his first witness, a grandmotherly, elderly woman to the stand.

He approached her and asked, "Mrs. Jones, do you know me?" She responded, "Why, yes, I do know you, Mr. Williams. I've known you since you were a young boy, and frankly, you've been a big disappointment to me. You lie, you cheat on your wife, and you manipulate people and talk about them behind their backs. You think you're a big shot when you haven't the brains to realize you never will amount to anything more than a two-bit paper pusher. Yes, I know you."

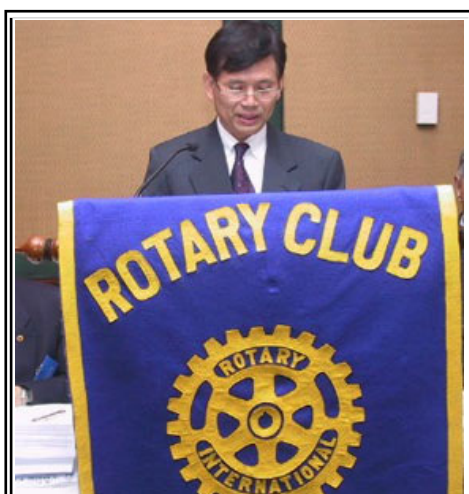
The lawyer was stunned! Not knowing what else to do, he pointed across the room and asked, "Mrs. Jones, do you know the defense attorney?" She again replied, "Why, yes, I do. I've known Mr. Bradley since he was a youngster, too. He's lazy, bigoted, and he has a drinking problem. He can't build a normal relationship with anyone and his law practice is one of the worst in the entire state. Not to mention he cheated on his wife with three different women. One of them was your wife. Yes, I know him."

The defense attorney almost died.

The judge asked both counselors to approach the bench and, in a very quiet voice, said, "If either of you idiots asks her if she knows me, I'll send you to the electric chair."

Photographs of our meeting on

4th April, 2007



Our guest speaker today was our own Rtn Peter Yeung who talked is entitled "U.S. Taxation with Relevance to Hong Kong".



(L to R) PDG Uncle Peter, Rtn Peter Yeung, Acting Pres. PE Laurence.



(L to R) PP John IV, Rtn Ken Tramburger (Torrey Pines Calif, USA), Rtn Stig Johnson (Lund, St. Knut, Sweden).



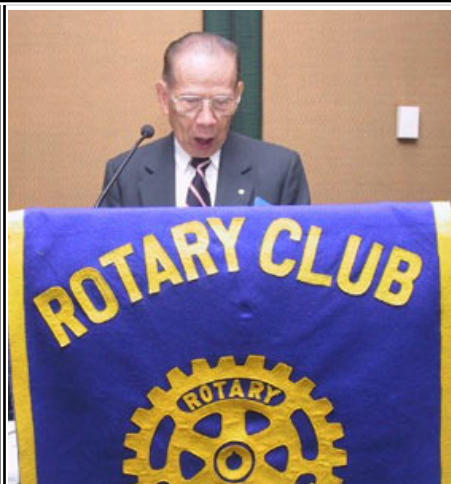
Acting Pres. PE Laurence exchanging club banners with Rtn. Stig Johnson.



Acting Pres. giving away one of our banner to Rtn. Ken Tramburger for an IOU.



PP Tim introducing our speaker for today.



Acting SAA Uncle Peter reporting on his collection for today.



PP John IV congratulating PP Rudy on his birthday and leads the birthday song with Acting Pres. looking on.



(L to R) Rtn Charles, PP Kay Lau (HKH), PP Tim, Rtn Edward Wong (HKH), PP Eddy, Hon. Sec Wendy Lau (HKH).



(L to R) PP Antonio Chu (HKH), Pres. Benny Tam (HKH), Rtn Kenny, Dir. Norman, and PP George.



(L to R) PP Grace Yen (HKH), Rtn Yoshie Takenaka (HKH), PP Veronica Dekrey (HKH), Rtn Heman, and PP Rudy.



The group photo of our meeting with PDG Uncle Peter, Acting Pres. PE Laurence, our visiting Rotarians and our members on 4th April 2007.

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