



UPDATE

Hong Kong

The Companies Registry has issued a revised "Non-statutory Guidelines on Directors' Duties". The latest version of the Guidelines is available at their website :

http://www.cr.gov.hk/en/publications/docs/director_guide_e.pdf

The Secretary for Financial Services and the Treasury has appointed 14 December 2007 as the commencement date for the provisions concerning non-Hong Kong companies in the Companies (Amendment) Ordinance 2004. The new provisions change the registration regime for oversea companies and rename "oversea companies" in the Companies Ordinance as "non-Hong Kong companies".

Calling Witness on Tax Appeal

In tax appeal, the Board of Review will listen, analyse and assess the evidence and the grounds submitted by the applicant and the IRD. The burden on calling witnesses to testify is on the applicant.

The common law trial proceedings practised in Hong Kong was an adversarial system and not inquisitorial system. The parties of the hearing should submit the evidence and



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We will manage to address your concern in future issues.

Dare & Habere Consulting Ltd. specializes in providing tax, transaction advisory, dispute support and corporate services.

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the grounds favourable to them for the Board to decide. The initiative to submit legal grounds or to call witness was on the parties of the hearing. Though the Board has the power to summon witness to give evidence, under normal circumstances it will only act as a role of a just middleman and would not actively summon any witness or investigate the case.

Section 68(4) of the IRO provides the onus of proving that the assessment appealed against is excessive or incorrect shall be on the appellant. In the Board of Review *D56/05* case, 2 November 2005, it was held that there was no legal basis to argue that the Board has not called an witness which might give evidence to support the applicant's case on appeal.



Put a Contract in Effect

A contract that has been signed (or executed) by the parties is still not effective until it has been "delivered". Delivery makes a contract to become effective. For delivery to occur, the parties must take steps indicating that they authorize the other parties to a contract to take possession of the signed contract and to treat it as effective. It may take a variety forms:

1. Physical exchange of the signed agreement. This is the most simple and usual form.
2. Delivery by third party or external agent, such as by mailing, courier service, or fax.
3. Delivery at a closing meeting. This involves all of the contract being executed and left on the closing table. The parties' agreement is deemed to be simultaneously

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delivered at the end of the meeting.

4. Delivery in escrow. This could be more formal escrow where the signed agreements are delivered to a third party being the escrow agent. The agent is authorized to handover or send the agreements to other party upon the satisfaction of specified conditions.

Alternatively, where one party may deliver the executed agreement to the other side on the understanding that the agreement is in escrow. This means that the agreement may only be released upon the written or oral instructions of the signer (or its agent). Such arrangement and instructions are preferably in written form.

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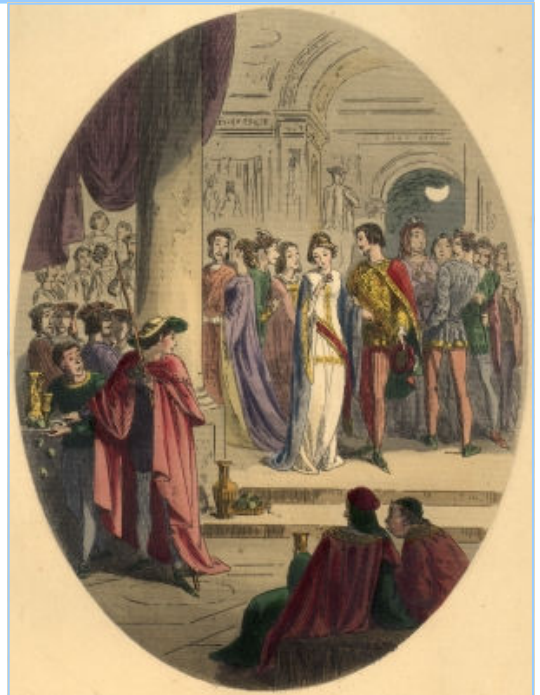
Life/Balance

Utah Shakespearean Festival

The Utah Shakespearean Festival is located in Cedar City, midway between Salt Lake City and Las Vegas on Interstate 15. The Festival is hosted on the campus of Southern Utah University at Cedar City, Utah.

The Festival was founded in 1961 and presented its first season in 1962. In 2000, It was awarded with the America's Outstanding Regional Theatre Tony by the American Theatre Wing and the League of American Theatres and Producers. In 2001 it further received the National Governors Association Award for Distinguished Service in the Arts for Artistic Productions.

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The Founder Fred C. Adams in 1959 came to Cedar City after trying out the New York theatre scenes for a few years. It was first started to attract summer tourists for more evening activities after visiting the six national parks nearby. He believed that there were about 150,000 annual summer tourists to the area and could have a great potential audience for a theatre festival.

For 2008, the Summer season will be from June 19 to August 30, and the Fall season will continue from September 19 through October 25. There are two theatres: (1) the Adams Shakespearean Theatre which seats 819, plus 66 gallery-bench or standing -room seats; and (2) the Randall L. Jones Theatre seats 769. The coming Shakespearean plays in 2008 are "The Two Gentlemen of Verona," "Othello," "Fiddler on the Roof," "Moliere's classic farce," "The School for Wives," "The Taming of the Shrew," etc.

The Festival used to offer free nightly shows featuring music, song, and tales on outdoor stages in summer. There are free literary, props, actor and costume seminars, and backstage tours.

For outdoor activities, you may also drive to the Bryce Canyon National Park where there are a series of horseshoe-shaped and wonderful amphitheatres; or Zion National Park, the Utah's oldest national park, which features soaring towers and monoliths that suggest a quiet grandeur.

Reminder

Tax Holdover : Consider an application for holding over of payment of provisional profits tax if the assessable profits for the year of assessment are likely to be less than 90% of that of the preceding year of assessment.

31 January 2008 : Final extended due date for "M" code current year loss cases.

Duty to Notify Chargeability under the Inland Revenue Ordinance : If you are liable to tax in Hong Kong, you have to inform IRD. Section 51(2) of IRO provides that a person chargeable to tax for any year of assessment shall inform the Commissioner in writing that he is so chargeable not later than 4 months after the end of the basis period for that year of assessment unless he has already been required to furnish a Tax Return.

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