LW4685: TAX LAW AND POLICY

Effective Term
Semester A 2026/27

Part I Course Overview

Course Title
Tax Law and Policy

Subject Code
LW - Law

Course Number
4685

Academic Unit
School of Law (FL)

College/School
School of Law (FL)

Course Duration
One Semester

Credit Units
3

Level
B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction
English

Medium of Assessment
English

Prerequisites
Nil

Precursors
Nil

Equivalent Courses
LW5685 Tax Law and Policy

Exclusive Courses
Nil

Part II Course Details

Abstract
Tax is an important part of the business environment in which lawyers work. Tax law is a subject that touches on every aspect of the law on which a lawyer might advise, including contract law, tort law, family law, company law, labour law and

criminal law. It is a gateway to understanding the choice of investment and business vehicles, the structure of trusts, the form of legal contracts, tort settlements, family dissolution agreements and the design of commercial arrangements. The aim of this course is to introduce students to the key policy and legal issues, as well as contemporary developments, both in the Hong Kong tax system, and from an international comparative perspective (e.g., the UK, Australia and New Zealand). Topics include personal income tax, corporation tax, value added tax (goods and services tax), capital gains tax, wealth tax, and tax avoidance and anti-avoidance rules.

This course will prepare students for a career in a wide range of global employment destinations, including but not limited to the legal profession, legal practice in accountancy, house company counsel and government agencies.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Demonstrate detailed knowledge of basic principles, core policy issues and the complex body of rules and case law in the field of taxation		x	x	x
2	Understand the key challenges of the design of tax law and policy in specific social, economic and political contexts		x	x	x
3	Demonstrate ability to evaluate government policy in light of alternative benchmarks and how effectively legislation has achieved the policy intention of the government		x	x	x
4	Demonstrate ability to apply legislation and case law to solve tax problems in complex factual situations		x	x	x

A1: Attitude
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

	LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	The course leader will present and explain the law on the topics listed below in the syllabus.	1, 2, 3, 4	2
2	Interactive class discussion/ presentations	Students will be engaged in debates/presentations to develop a critical perspective on various tax policy and legal issues.	1, 2, 3, 4	1

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?
1	Class participation [including mainly class attendance and class discussion in the classes, and oral presentation (if presentation tasks are assigned by the instructor)]	1, 2, 3, 4	40	(30% presentation + 10% attendance and discussion)	No
2	Coursework: take-home essay at the end of the semester	1, 2, 3, 4	60	-	No

Continuous Assessment (%)

100

Minimum Continuous Assessment Passing Requirement (%)

40

Additional Information for ATs

The use of Generative AI tools is not allowed.

To pass this course, student must obtain an aggregate mark of 40%.

Grading of Student Achievement:

Standard (A+, A, A-…F). Grading is based on student performance in assessment tasks/activities

Assessment Rubrics (AR)

Assessment Task

Class participation

Criterion

Demonstration of understanding of concepts, principles, and theories.
Demonstration of ability to identify legal and policy issues.
Application of knowledge to specific legal and policy problems, to discuss questions, and to comment on legal and policy phenomena.
Application of legal writing and research skills.
Demonstration of ability to engage in argument-based analysis based on critical thinking.
Demonstration of aptitude for formulating innovative solutions to fact-based questions.

Excellent (A+, A, A-)

Strong evidence of original thinking; good organisation, capacity to analyse and synthesise; superior grasp of subject matter; evidence of extensive knowledge base.

Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.

Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Assessment Task

Coursework

Criterion

Demonstration of understanding of concepts, principles, and theories.
Demonstration of ability to identify legal and policy issues.
Application of knowledge to specific legal and policy problems, to discuss questions, and to comment on legal and policy phenomena.
Application of legal writing and research skills.
Demonstration of ability to engage in argument-based analysis based on critical thinking.
Demonstration of aptitude for formulating innovative solutions to fact-based questions.

Excellent (A+, A, A-)

Strong evidence of original thinking; good organisation, capacity to analyse and synthesise; superior grasp of subject matter; evidence of extensive knowledge base.

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Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Part III Other Information

Keyword Syllabus

The course will feature legal and policy issues in the Hong Kong tax system, and from an international comparative perspective (e.g., the UK, Australia and New Zealand). The policy questions include the rationales for taxing income, capital, wealth and consumption. The syllabus covers the following topics:

Week 1: Introduction

1. Principles of taxation: purposes of taxes; functions of government expenditures; key elements of a tax system; main types of taxes; tax design criteria

Weeks 2-6

1. Taxing income: schedular and global systems

- Personal income tax:

- rate schedule and the tax unit;
- the legal concept of employment income: judicial texts distinguishing a 'contract of service' from a 'contract for services'
- the legal concept of business income: judicial doctrines defining the 'badges of trade'
- deductions for expenses: the legal borderline between deductible revenue and non-deductible capital expenditures
- tax expenditures; capital allowances
- Corporation tax: imputation and classical systems; debt and equity; income and losses: statutory treatment of corporate distributions, income and the relief of losses
- Capital gains tax: gains and losses; exemptions and reliefs

Week 7: Reading week

Week 8

1. Taxing consumption:

- Value added tax:
- statutory definitions of supply, consideration, business and taxable person
- concessions (legal boundaries between reduced rates, zero rate and exemptions)

Week 10:

1. Taxing wealth: net wealth tax and wealth transfer taxes

- Inheritance tax: gift and testamentary transfers of wealth

Weeks 11-12

1. Tax avoidance and anti-avoidance rules:

- Tax avoidance vs tax evasion
- judicial doctrines: the evolution of common law anti-avoidance doctrines from strict literalism (Duke of Westminster) to the purposive approach (Ramsay principle)
- legislative approaches: specific anti-avoidance rules and general anti-abuse rules

Week 13: Revision

Reading List

Compulsory Readings

	Title
1	Victor Thuronyi, Kim Brooks and Borbala Koloza, Comparative Tax Law (2nd edn, Kluwer Law International 2016)
2	Neil Brooks, 'The Logic, Policy and Politics of Tax Law: An Overview'
3	Miranda Stewart, Tax & Government in the 21st Century (Cambridge University Press 2022)
4	Yige Zu, Value Added Tax in the 21st Century: Design, Challenges, and Opportunities (Hart Publishing 2026), Chapter 2

Additional Readings

	Title
1	These texts are supplemented by journal articles and other resources provided in the course handbook, which address contemporary developments in tax law and policy and issues currently debated in academic literature and policy forums.
2	Stephen Smith, Taxation: A Very Short Introduction (Oxford University Press 2015)
3	Kim Brooks, Comparative Tax Law Guide (9 June 2023)