

財經事務及庫務局

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FINANCIAL SERVICES AND THE  
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**By Email**

8 June 2017

Mr Michael Shue  
Chairman  
Hong Kong Trustees' Association  
c/o Deacons  
6/F, Alexandra House  
Chater Road, Central  
Hong Kong

Dear Mr Shue,

**Automatic Exchange of Financial Account Information  
in Tax Matters ("AEOI") in Hong Kong**

Further to our letter of 6 April 2017 on the above subject, I am pleased to inform you that the Inland Revenue (Amendment) (No. 3) Bill 2017 was passed by the Legislative Council ("LegCo") on 7 June 2017. The Bill aims to expand the list of Hong Kong's reportable jurisdictions from two to 75 and to require financial institutions ("FIs") to start collating information from the relevant account holders with effect from 1 July 2017. It will come into operation on 1 July 2017. A copy of the Bill is at **Enclosure (1)**.

To facilitate the work of FIs in complying with the new

requirements under the AEOI regime and to enhance public awareness of the obligations of FIs, we will soon roll out a new round of publicity to highlight the key changes. The Inland Revenue Department (“IRD”) will revise the guidelines for FIs. Besides, we will update the TV/Radio Announcement in the Public Interests, posters and pamphlets.

Separately, as foreshadowed in the Legislative Council Brief dated 29 March 2017 enclosed in our letter of 6 April 2017, we have been considering the possibility of seeking the application of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (“Multilateral Convention”) to Hong Kong for conducting AEOI. In this regard, we have recently obtained the in-principle agreement from the Mainland Government to extend the application of the Multilateral Convention to Hong Kong. This will provide us a platform to exchange tax information under AEOI as well as initiatives under the Base Erosion and Profit Shifting (“BEPS”) package with other jurisdictions in a more efficient manner. We plan to introduce another amendment bill into the LegCo this October so that the Multilateral Convention can be extended to Hong Kong in 2018. A copy of our paper to the LegCo Panel on Financial Affairs is at Enclosure (2) for your information. The LegCo Panel on Financial Affairs has given support to our proposal.

Taking this opportunity, may I express our sincere gratitude to you again for the valuable views and support in the implementation of AEOI.

Should you have any enquiries, please contact Mr William Leung of this Bureau (Tel: 2810 2400) or Ms Peggy Leung of IRD (Tel: 2594 5041).

Yours sincerely,



( Ms Pecvin Yong )

for Secretary for Financial Services and the Treasury

Encls

c.c. Commissioner of Inland Revenue (Attn: Mr Chiu Kwok-kit)