

**Press Release**  
**Hong Kong supports new global standard on automatic  
exchange of information**

Monday, September 15, 2014

The Government indicated today (September 15) to the Global Forum on Transparency and Exchange of Information for Tax Purposes Hong Kong's support for the new global standard on automatic exchange of information for the purpose of enhancing tax transparency and combating cross-border tax evasion.

In July 2014, the Organisation for Economic Co-operation and Development (OECD) released a Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters, calling on governments to obtain detailed account information from their financial institutions and exchange that information automatically with jurisdictions of residence of account holders on an annual basis. The Global Forum, a widely represented body consisting of some 120 member jurisdictions, including Hong Kong, for the pursuance of a tax transparency agenda, invites all its members to commit to implementing the new global standard. Hong Kong pledged its support to the invitation, showing consistency with its position as a responsible member of the international community.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "It is crucial for Hong Kong to adopt the latest global standard on tax transparency in order to maintain our international reputation and competitiveness as an international financial and business centre."

Professor Chan stressed, "In taking the matter forward domestically, the Government will go through the usual due process of engaging relevant stakeholders, addressing relevant policy and legal issues involved and seeking the Legislative Council's approval of the legislation required to implement the new global standard."

Hong Kong is committed to implementing the new global standard on a reciprocal basis with appropriate partners which can meet relevant requirements on protection of privacy and confidentiality of information exchanged and ensuring proper use of the data. According to the latest timeline

allowable by the Global Forum, the first automatic information exchanges are to commence by the end of 2018.

Over the past years, Hong Kong has been enhancing its regime to meet the evolving international standard on exchange of information, including removing the domestic tax interest requirement in conducting exchange of information under comprehensive avoidance of double taxation agreements (CDTAs) and putting in place the legal framework for Hong Kong to enter into tax information exchange agreements (TIEAs) with other jurisdictions. The Global Forum recognises Hong Kong's efforts in this regard and affirms that Hong Kong is an effective and co-operative partner in exchanging information with other jurisdictions.

Professor Chan added, "Our international obligations aside, it remains the Government's policy priority to expand our network of CDTAs with Hong Kong's major trading and investment partners."

Hong Kong has so far concluded 30 CDTAs, 11 of which are signed with our top 20 trading partners. CDTA discussions with other jurisdictions are in the pipeline, including Germany, Russia, India, Saudi Arabia, South Africa, Finland and Latvia.

Until the OECD's recent release of the Common Reporting Standard, it has been the international standard for jurisdictions to exchange information upon request. Hong Kong's existing legal framework can only allow for such a mode of information exchange under either CDTAs or TIEAs.

So far, some 65 jurisdictions have publicly committed to the implementation of the new global standard. The Group of Twenty has called on all financial centres to implement the new standard without delay.

Ends