

Press release

Government welcomes OECD article commending HK's tax system

Sunday, May 10, 2009

In response to media enquiries, a Government spokesman today (May 10) welcomes an article by the Organisation for Economic Co-operation and Development (OECD) commending Hong Kong's transparent tax system and its efforts to comply with international standards of exchange of tax information.

The article was written by the Director of the OECD's Centre for Tax Policy and Administration in Paris, France, Mr Jeffrey Owens.

"Hong Kong has built its position as an international financial centre on the basis of free markets, low tax rates and a transparent tax system. Under the OECD criteria, Hong Kong, China is not considered as a tax haven," Mr Owens said in his article.

On the Financial Secretary's announcement in the 2009-10 Budget to align Hong Kong's exchange of tax information arrangement with international standards, Mr Owens said that Hong Kong is the first major financial centre in the region to make such a move and other Asian countries have since followed its lead.

The Administration briefed the Legislative Council's Panel on Financial Affairs on May 4 on its plan to introduce legislation within this year to extend Inland Revenue Department's powers to exchange information with other tax jurisdictions to enable Hong Kong to extend its network of comprehensive avoidance of double taxation agreements.

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