

**Press release**  
**Inland Revenue (Amendment) Bill 2013 gazetted**  
Friday, April 12, 2013

The Inland Revenue (Amendment) Bill 2013 was gazetted today (April 12).

The Bill aims to enable Hong Kong to enter into tax information exchange agreements (TIEAs) with other jurisdictions where necessary and to enhance the existing exchange of information (EoI) arrangements under comprehensive avoidance of double taxation agreements (CDTAs).

At present, under the Inland Revenue Ordinance (Cap. 112) (IRO), Hong Kong can only exchange tax information with another jurisdiction under the framework of a CDTA that Hong Kong has entered into with that other jurisdiction.

"According to the Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organisation for Economic Co-operation and Development, the latest international EoI standard is that a jurisdiction should make available both CDTAs and TIEAs as instruments for EoI. The Global Forum has thus recommended that Hong Kong should put in place a legal framework for entering into TIEAs," the Government spokesman said.

"Given the international backdrop, it is time-critical to amend the IRO to put in place a legal framework which enables Hong Kong to enter into TIEAs, as an effort to demonstrate Hong Kong's continued commitment to enhancing tax transparency," he added.

Furthermore, while Hong Kong's efforts to expand its CDTA network since 2010 have yielded fairly satisfactory results, there is an emerging need to enhance Hong Kong's EoI arrangements in respect of its restrictive position in the areas of tax types and limitation on disclosure so as to strive for a breakthrough in future CDTA negotiations.

The spokesman said, "The proposed legislative amendments aim to relax the tax types to be covered by the EoI arrangement under CDTAs and future TIEAs, and to enable the Commissioner of Inland Revenue to disclose information in response to an EoI request if the Commissioner is satisfied that such information relates to tax assessments in respect of any period after the date on which the relevant CDTA or TIEA

comes into operation."

He stressed that it is crucial for the Government to take the minimum necessary approach to enhance the EoI arrangement under CDTAs to the extent that it could catch up with the prevailing international standard for EoI to be provided under TIEAs.

"Only through doing so can Hong Kong be able to continue with its efforts in negotiating CDTAs with existing as well as potential partners, whilst providing in place a legal framework for TIEAs for Hong Kong to meet its international obligations.

"Notwithstanding the above proposed legislative amendments, the Government will continue to adopt the existing highly prudent safeguards to protect taxpayers' privacy and confidentiality of information exchanged under both CDTAs and future TIEAs. Same as the current approach for CDTAs, the Government will strive to include the safeguards in the texts of the future TIEAs, which will be implemented as subsidiary legislation domestically subject to negative vetting by the Legislative Council. The applicability of the Inland Revenue (Disclosure of Information) Rules (Cap. 112BI), which are currently applicable to EoI under CDTAs, will also be extended to TIEAs signed in future," he added.

The Bill will be introduced into the Legislative Council on April 24.

Ends