

Press Release

Government releases consultation report on measures to counter base erosion and profit shifting by enterprises

Monday, July 31, 2017

The Government today (July 31) released the consultation report on measures to counter base erosion and profit shifting (BEPS) by enterprises.

Hong Kong indicated its commitment in June 2016 to implementing the BEPS package put forward by the Organisation for Economic Co-operation and Development (OECD). To take forward Hong Kong's commitment, the Government held a consultation exercise from October 26 to December 31, 2016, to gauge views on the relevant implementation proposals. A total of 26 written submissions were received.

"We welcome the general support from the respondents for the proposed implementation strategy, which focuses on the four minimum standards set by the OECD (i.e. countering harmful tax practices, preventing treaty abuse, imposing a country-by-country reporting requirement and improving the cross-border dispute resolution mechanism) whilst maintaining Hong Kong's simple and low tax regime. Having regard to the comments received, we will fine-tune certain parameters of the proposals to address stakeholders' concerns," a Government spokesman said.

The Government is pressing ahead with the preparatory work for the legislative exercise, with a view to introducing an amendment bill into the Legislative Council by the end of 2017.

The consultation report has been uploaded to the website of the Financial Services and the Treasury Bureau (www.fstb.gov.hk/tb/en/docs/BEPS-ConsultationReport-e.pdf).

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