

Arrangement on automatic exchange of financial account information in tax matters between Mainland and HKSAR in force

An arrangement between the Mainland and Hong Kong for conducting automatic exchange of financial account information in tax matters (AEOI) came into effect on September 6, 2018.

"With the conclusion of the arrangement, Hong Kong will conduct AEOI with the Mainland for the first time later this month along with that for 49 jurisdictions. Hong Kong will continue to deliver its obligations to implement AEOI in accordance with the Common Reporting Standard promulgated by the Organisation for Economic Co-operation and Development," a government spokesman said.

Hong Kong has already activated exchange relationships under AEOI with 49 other jurisdictions on the basis of similar bilateral competent authority agreements or a multilateral competent authority agreement under the Convention on Mutual Administrative Assistance in Tax Matters.

AEOI is a global tax co-operation initiative which mandates financial institutions to identify financial accounts held by tax residents of reportable jurisdictions and collect relevant information for reporting to the tax authority. The Inland Revenue Department of Hong Kong will exchange the relevant information with their counterparts in the reportable jurisdictions concerned on an annual basis. As of end August 2018, 149 jurisdictions, including Hong Kong, have undertaken to implement AEOI.