

Gazettal of amendment notices made under Inland Revenue Ordinance

Two amendment notices made under the Inland Revenue Ordinance (Cap. 112) (IRO) will be gazetted on April 17 and tabled at the Legislative Council for negative vetting on April 22.

"Hong Kong has to amend the implementation arrangements for automatic exchange of financial account information in tax matters (AEOI) under the IRO to give effect to the recommendations made by the Organisation for Economic Co-operation and Development (OECD). This is crucial for preserving Hong Kong's competitiveness and reputation as an international financial and business centre," a Government spokesman said.

The Inland Revenue Ordinance (Amendment of Section 50A) Notice 2020 seeks to expand the definition of controlling persons of partnerships, whereas the Inland Revenue Ordinance (Amendment of Schedule 17D) Notice 2020 concerns a specific requirement in relation to the determination of controlling persons by financial institutions. These amendments will bring Hong Kong's AEOI legislative framework into line with the prevailing international standard.

Hong Kong has implemented the OECD's requirement and conducted AEOI since September 2018 with a view to strengthening international tax co-operation. Reporting financial institutions are required to comply with the relevant requirements under the IRO by reporting financial account information to the Inland Revenue Department for exchange with other jurisdictions.