

# Hong Kong commits to implementing Crypto-Asset Reporting Framework

The Government informed the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) of the Organisation for Economic Co-operation and Development (OECD) today (December 13) of Hong Kong's commitment to implementing the Crypto-Asset Reporting Framework (CARF) for enhancing international tax transparency and combating cross-border tax evasion.

In June 2023, the OECD published CARF with a view to ensuring that global tax transparency would be maintained in light of the rapid growth of the crypto-asset market. As an extension of the existing Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI), CARF provides for a similar mechanism for annual automatic exchange of tax-relevant crypto-asset account and transaction information among jurisdictions where crypto-asset users or controlling persons are tax residents. To ensure an effective global implementation of CARF on a level playing field, the Global Forum has invited all tax jurisdictions that host a relevant crypto-asset sector and have been identified as immediately relevant to CARF (including Hong Kong) to implement it.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "CARF is the latest global standard on tax transparency. Its implementation is crucial for maintaining Hong Kong's reputation as an international financial and business centre. It also reflects Hong Kong's ongoing efforts in promoting international tax co-operation as a responsible tax jurisdiction."

Hong Kong is committed to implementing CARF on a reciprocal basis with appropriate partners that meet the required standards for protecting data confidentiality and security. Based on the latest timetable set by the Global Forum, the Government aims to commence the first automatic exchanges with relevant jurisdictions under CARF from 2028, based on the initial plan that the necessary local legislative amendments can be put in place by 2026.

Mr Hui added, "The Government will engage relevant stakeholders and members of the public when preparing the necessary legislative amendments."

Hong Kong has been rendering unwavering support to international efforts to promote tax transparency and combat tax evasion. Since 2018, Hong Kong has conducted annual AEOIs with partner jurisdictions. The information can be used by the relevant tax authorities to conduct tax assessments and to detect and counter tax evasion.