

Speech by CE at 5th Belt and Road Initiative Tax Administration Cooperation Forum (English only)

Following is the speech by the Chief Executive, Mr John Lee, at the 5th Belt and Road Initiative Tax Administration Cooperation Forum today (September 24):

Honourable Commissioner Hu Jinglin (Commissioner of the State Taxation Administration), Deputy Commissioner Wang Daoshu (Deputy Commissioner of the State Taxation Administration and Executive Secretary of the Belt and Road Initiative Tax Administration Cooperation Mechanism Secretariat), Deputy Director Yin Zonghua (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (HKSAR)), Deputy Commissioner Li Yongsheng (Deputy Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR), honourable ministers and senior officials from Belt and Road economies, distinguished guests, ladies and gentlemen,

Good afternoon. Welcome to Hong Kong and the 5th Belt and Road Initiative Tax Administration Cooperation Forum.

I am grateful to the organisers, the Belt and Road Initiative Tax Administration Cooperation Mechanism, or BRITACOM – this year celebrating its fifth anniversary – and to our Inland Revenue Department. BRITACOM was created, in 2019, to promote tax administration co-operation among the widespread jurisdictions of the Belt and Road Initiative.

The Belt and Road Initiative, as you are well aware, was proposed by President Xi Jinping in 2013. As the Initiative ushers in its next golden decade, so has BRITACOM, a key co-operation mechanism that has facilitated people-to-people exchanges and promoted mutual understanding along the Belt and Road.

Today, BRITACOM counts 37 Council Members and more than 30 observers – including tax administrations and international organisations.

And this Forum, the annual international forum of BRITACOM, is a must-attend event. This year's three-day gathering has attracted some 400 high-level representatives from nearly 30 jurisdictions. You are officials of tax administrations, tax specialists, academics and professionals from around the world.

This year's theme – "Deepening Tax Administration Cooperation for High-Quality Belt and Road Development" – speaks clearly of today's complex world and the heightened need for connectivity among us.

Hong Kong, China is honoured to host this year's Forum and connect Belt and Road economies together in our global community of shared future. I am grateful for the State Taxation Administration's support in our efforts.

Hong Kong plays an active role in the Belt and Road. And we are committed to the good work of BRITACOM, as a member tax administration of the mechanism.

Under the unique "one country, two systems" principle, Hong Kong connects both the global advantage and the China advantage in a single city. As a special administrative region of the People's Republic of China, we are a separate customs territory and practise an independent taxation system. We are a founding member of the World Trade Organization and participate in international organisations and trade agreements using the name "Hong Kong, China".

As the only common law jurisdiction within China, our legal system in the business realm resembles that of most major international financial centres. Our robust legal system is backed by such long-standing institutional strengths as the free flow of information, capital, goods and people, low and simple tax system, and highly open and internationalised market. Together, they ensure our strategic role as a "super connector" and a "super value-adder" between the Mainland and the rest of the world.

It helps, and enormously, that Hong Kong is a trusted international centre for finance and trade. In the latest World Competitiveness Yearbook, published by the International Institute for Management Development (IMD), Hong Kong placed fifth, up two positions over last year's ranking.

According to the Yearbook, we came first in the Asia-Pacific region in "tax policy" and second worldwide. And we topped the world in "international trade" and "business legislation".

Crucial to Hong Kong's development is our talent. As the only city in Asia that has as many as five universities in the world's top 100, Hong Kong boasts a strong pool of multi-talented and hard-working professionals. That's why in the latest World Talent Ranking, published last week also by the IMD, we ranked number nine in the world, rising visibly from 16 last year. We were among the global top five in the availability of finance skills, effectiveness of management education, and remuneration of management. I am proud of the achievement of our talent, and our city.

Hong Kong is a pivotal player in such national strategies as the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative. Indeed, just two weeks ago, we hosted our annual Belt and Road Summit, drawing some 6 000 high-profile individuals from about 70 countries and regions. The Summit, which next year turns 10, has been recognised by the Central Government as a key global gathering for advancing economic, trade and investment co-operation along the Belt and Road.

Economic globalisation, digitalisation and evolving business models

demand a co-operative approach. By deepening collaboration, we can, working together, create an equitable, efficient and sustainable system that benefits us all.

Indeed, tax administration plays a crucial role in ensuring sustainable development. Efficient tax systems provide the essential resources for the delivery of public services and infrastructure.

Hong Kong believes that transparent and fair tax policies could foster trust among investors, governments and taxpayers.

As a champion of free and multilateral trade, Hong Kong, I'm pleased to add, supports the co-ordinated efforts of the international tax community, actively engaging in initiatives designed to bring economies together.

We take pride in having signed 50 Comprehensive Avoidance of Double Taxation Agreement since 2003. And more than 60 per cent of these agreements were signed with jurisdictions participating in the Belt and Road.

These agreements play a vital role in strengthening economic ties and promoting cross-border trade and investment. They enable closer tax co-operation between governments, aligning our practices with global standards.

We are, let me add, committed to expanding our tax treaty network, particularly with economies along the Belt and Road.

And I am pleased to announce that Hong Kong and Türkiye will sign a Comprehensive Avoidance of Double Taxation Agreement later at this Forum.

This milestone is another tangible illustration of Hong Kong's determination to expand our tax treaty network. It also highlights our commitment to boosting ties and relations with Belt and Road economies.

Alongside our long-standing institutional strengths, we are increasingly employing technology to enhance taxpayer services and improve compliance.

And we are pleased to share our digital tax administration experience with Belt and Road jurisdictions – with each one of you. Much of tomorrow morning's Forum, let me add, will focus on promoting the digitalisation of tax administration.

I am confident you will find this Forum instructive, inspiring and rewarding, whatever your sector, profession or interest.

I'm confident, too, that you will find Hong Kong equally rewarding over these next several days. This Forum is just one of more than 200 major events we're hosting this year for visitors from around the world. I encourage you to make time to experience our dynamic culture and world-class entertainment, from daybreak deep into the night.

Hong Kong is fast rising as an East-meets-West centre for international cultural exchange. That becomes abundantly clear in a visit to our West Kowloon Cultural District. One of the largest developments of its kind in the world, it's home to the Hong Kong Palace Museum and its priceless treasures from the Beijing's Forbidden City. Home, too, to M+, Asia's first global museum of contemporary visual art. You'll also want to take in the breathtaking views from Victoria Harbour and Ngong Ping 360, the thrilling cable car that connects Tung Chung and Ngong Ping on Lantau Island, which is just a stone's throw away from our event venue here.

This venue, AsiaWorld-Expo, is one of our key exhibition and convention venues. Its close proximity to the Hong Kong International Airport, the world's busiest cargo airport, means you get to stay well-connected to our city while marvelling at the rapid development of the airport, whose Three-Runway System will be commissioned later this year.

More than a bustling airport, mountain vistas and stunning seaside villages, Hong Kong counts nearly 80 Michelin-star restaurants and neighbourhood pubs, diners and dim sum delights everywhere. We boast nine of Asia's 50 best bars, including the top bar in the continent, and have two of the world's 50 best hotels.

Wherever you look, there's always something happening in Hong Kong, an energetic and welcoming world city.

Ladies and gentlemen, enjoy the Forum and all that Hong Kong has to offer.

Thank you.