**Hong Kong. The new international standard for automatic exchange of financial account information in tax matters went into effect**

June 30, 2016 the new international standard for automatic exchange of financial account information in tax matters (AEOI) in Hong Kong went into effect, and only for jurisdictions which has signed an AEOI agreement with Hong Kong. Hong Kong will start identifying partners from among the 42 economies who have signed agreements with Hong Kong on comprehensive avoidance of double taxation or on tax information exchange.

Under the AEOI standard, a financial institution is required to identify financial accounts held by tax residents of reportable jurisdictions, in accordance with OECD due diligence procedures. Hong Kong's FIs are required to collect the reportable information (even may request account holders to provide self-certifications on their personal information including tax residence) on these accounts and furnish that information to the Inland Revenue Department (IRD). The IRD will exchange the information with the tax authorities of the AEOI partner jurisdictions on an annual basis.

The OECD has established a portal which provides information on tax residency rules in jurisdictions which have committed to implementing AEOI. The IRD will upload into its website the relevant link to the OECD's portal, as well as a set of frequently asked questions for reference purposes.

Financial Institutions will start conducting due diligence procedures to identify and collect information on relevant financial accounts in 2017, and furnish the information to the IRD in 2018 for transmission to the AEOI partners concerned.