# HONG KONG. THE AGREEMENTS OF AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION WITH 8 more countries are signed

During 2017 Hong Kong has signed agreements with eight more jurisdictions, namely Belgium, Canada, Guernsey, Italy, Mexico, Netherlands, Portugal and South Africa to start automatic exchange of financial account information in tax matters (AEOI). The signing of the agreements brings the number of Hong Kong's automatic exchange partners in financial account information to 11.

The other partners are Japan, Korea and the UK.

The Government introduced the Inland Revenue (Amendment) (No. 3) Bill 2017 into the Legislative Council on March 29. The Bill seeks to include Hong Kong's newly confirmed AEOI partners as well as prospective ones in the list of "reportable jurisdictions" under the Inland Revenue Ordinance.

The HK Government has already declared support of the international efforts to enhance tax transparency and combat cross-border tax evasion. As follows, Hong Kong is signing bilateral agreements with appropriate jurisdictions. By appropriate jurisdiction means the country with legislation stipulating the automatic exchange which is capable to enforce it, as well as to protect personal data subject to exchange.

Under the automatic exchange standard, financial institutions are required to identify financial accounts held by tax residents of reportable jurisdictions. They are required to collect the reportable information of these accounts and furnish such information to the Inland Revenue Department. In case when the account holder is not the resident of reportable jurisdictions, the information is not subject to collection and further exchange.