

30th June 2015

Sent by Email and by Post

Revenue Division
Financial Services and the Treasury Bureau (Treasury Branch)
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Sirs / Madams,

Re: Consultation on Automatic Exchange of Financial Account Information in Tax Matters in Hong Kong

The Hong Kong Society of Financial Analysts (HK SFA) is pleased to comment on the consultation concerning Automatic Exchange of Financial Account Information in Tax Matters in Hong Kong.

We state our comments to the specific questions set out on P.28 - P.29 of the captioned consultation paper as follows;

4.2 (b) Reporting Requirements – Do you have any views on the reporting requirements proposed in paragraph 2.19, within the framework required by CRS?

- Agree that it should be account holder's responsibility to determine jurisdiction(s) of residence - proposed we make this explicit and that system should cater for situation for multiple residencies.

Suggested that we specify 'residence' refers to 'tax residence'. As for Hong Kong, it would be ideal to have guidance to facilitate account holders - which banks can provide to clients for reference.

4.2 (e) Proposed sanctions – Are the proposed sanctions proportionate to the types of offences (paragraphs 2.24 and 2.25)?

- Employees of financial institutions are already facing multiple legal obligations and it would not be fair to push yet another legal obligation to employees of the Bank if they do not wilfully defraud. 'Without reasonable excuse' is vague and may end up to be subjective and uncertain.

4.2 (g) IT system – Will you, as FIs, use your self-developed software or the IRD software for preparing the data files of AEOI Returns? What are the considerations involved (paragraph 3.9)?

- Depends on whether the IRD software can be easily linked with banks' systems.

We appreciate the opportunity to comment on the subject consultation. We trust you find our comments constructive and useful.

Yours sincerely,
For and on behalf of
The Hong Kong Society of Financial Analysts

Frederick Tsang, CFA
President and Chair, Advocacy Committee

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