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財經事務及庫務局  
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FINANCIAL SERVICES AND  
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24 May 2013

Ms Connie Szeto  
Clerk to Panel on Financial Affairs  
Legislative Council Complex  
1 Legislative Council Road, Central  
Hong Kong

Dear Ms Szeto,

Thank you for your letter of 22 April 2013. The Administration's response to the Hon TANG Ka-piu's letter is as follows.

The HKSAR Government has been following up the possible impact of the Foreign Account Tax Compliance Act ("FATCA") on the local financial services industry, with a view to reducing the impact on investors and financial market practitioners as far as possible. As far as Mandatory Provident Fund ("MPF") Schemes are concerned, we understand that statutory retirement schemes in different jurisdictions are not regarded as a major tool for tax evasion by United States ("US") taxpayers, and that FATCA has exemption provisions for retirement schemes that meet specified criteria. The Administration has been closely liaising with the industry and maintaining a dialogue with the US authority. At the same time, we are exploring feasible measures to seek exemption for MPF schemes so as to reduce compliance burden as far as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Curtis Lo'.

(Curtis Lo)

for Secretary for Financial Services and the Treasury