

**Subcommittee on Inland Revenue Ordinance
(Amendment of Schedule 17E) Notice 2016**

Follow-up to the meeting on 15 November 2016

This note reports the progress of the Inland Revenue Department (“IRD”) in the development of a new electronic portal for implementing Automatic Exchange of Financial Account Information in tax matters (“AEOI”) as discussed at the Subcommittee meeting on 15 November 2016.

AEOI Portal

2. Under the AEOI regime, a financial institution (“FI”) is required to identify financial accounts held by tax residents of reportable jurisdictions in accordance with the Organisation for Economic Co-operation and Development’s (“OECD”) due diligence procedures. FIs are required to collect the reportable information of these accounts and furnish such information to the IRD annually. FIs are also required to notify IRD when they commence or cease to maintain any reportable accounts.

3. To facilitate FIs to fulfil their obligations under the AEOI regime, IRD is developing a secure platform, known as the AEOI Portal, for FIs to submit notifications and file AEOI returns on required information of reportable accounts electronically. After launching the AEOI Portal, IRD will issue electronic notices via the Portal in January annually to all relevant FIs and require them to file AEOI returns. FIs will need to furnish AEOI returns to IRD in a specified format, which is based on the schema issued by the OECD, through the same Portal by May of the same year.

System development and implementation work

4. The AEOI Portal will form part of the Government’s system infrastructure for delivering electronic services. IRD has redeployed existing staff and recruited contract programmers with the relevant

expertise to form an in-house team to carry out the system development and implementation work. In procuring the necessary hardware and software for the Portal, IRD has been following the Government's established procurement procedures.

5. IRD plans to conduct a thorough testing and trial run, with participation of selected FIs in mid-2017 before launching the AEOI Portal.

**Financial Services and the Treasury Bureau
Inland Revenue Department
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