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Nov 2 2009

Ms Noel Sung
Clerk to Bills Committee
Legislative Council Secretariat
3/F, Citibank Tower,
3 Garden Road,
Central

CB(1)260/09-10(09)

Dear Ms Noel Sung,

RE: Bills Committee on Inland Revenue (Amendment) (No. 3) Bill 2009

CPA Australia welcomes the opportunity to provide our comments in response to the invitation to review of the following documents:

- (a) Outline of the proposed safeguards to be covered by the Inland Revenue (Disclosure of Information) Rules ("the Rules");
- (b) Departmental Interpretation and Practice Notes ("DIPN") Implementation Details of Exchange of Information Provisions under Comprehensive Double Taxation Agreements ("CDTA") (Extract of the part on "Administrative Guidelines")

We are grateful to perceive some positive measures in these draft documents. Specifically,

1. The domestic safeguards (as previously mentioned in paragraph 10 of the Legislative Council Brief dated 24 June 2009) are more comprehensively outlined and will be incorporated in the Rules under Section 49(6) of the Inland Revenue Ordinance.
2. Under the proposed safeguards, a notification will be given to the taxpayer who is the subject of the disclosure request before any information is disclosed and such person will have the right to request the Commissioner to amend the information within a reasonable timeframe.
3. The provisions / procedures to ensure that the information being sought is "foreseeably relevant" for carrying out the provisions of the CDTA or to the administration or enforcement of the domestic laws of the requesting party has been strengthened.

We would be pleased to address any questions you may have from the above comments. Meanwhile, if you require any further information, please contact Ms Deborah Leung, General Manager – Greater China, CPA Australia at 2202-2710 or fax to 2832-9167 or email to deborah.leung@cpaaustralia.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'L. Shuen', written in a cursive style.

Loretta Shuen FCA (Aust.)
President
CPA AUSTRALIA – HONG KONG CHINA DIVISION

cc Hon Paul CHAN, MH, JP, Chairman of the Bills Committee