

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1777/12-13  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/7/12/2

**Bills Committee on Inland Revenue (Amendment) Bill 2013**

**Minutes of the second meeting held on  
Tuesday, 21 May 2013, at 10:45 am  
in Conference Room 2B of the Legislative Council Complex**

**Members present** : Hon Kenneth LEUNG (Chairman)  
Hon CHAN Kin-por, BBS, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon Starry LEE Wai-king, JP  
Hon YIU Si-wing  
Hon Charles Peter MOK  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, JP

**Members absent** : Hon Alan LEONG Kah-kit, SC  
Hon SIN Chung-kai, SBS, JP

**Public officers attending** : **Agenda item II**

Ms Mable CHAN, JP  
Deputy Secretary for Financial Services and the  
Treasury (Treasury) 2

Ms Shirley KWAN  
Principal Assistant Secretary for Financial Services and  
the Treasury (Treasury) (Revenue)

Miss Crystal YIP  
Assistant Secretary for Financial Services and the  
Treasury (Treasury) (Revenue) 1

Mr CHIU Kwok-kit, JP  
Deputy Commissioner of Inland Revenue (Technical)

Ms Mabel MEI  
Chief Assessor (Tax Treaty)  
Inland Revenue Department

Mrs Paulina WONG  
Senior Assessor (Tax Treaty) 2  
Inland Revenue Department

Mr Michael LAM  
Senior Assistant Law Draftsman  
Department of Justice

Mr Peter SZE  
Senior Government Counsel  
Department of Justice

**Clerk in attendance** : Ms Sharon CHUNG  
Chief Council Secretary (1)6

**Staff in attendance** : Mr Bonny LOO  
Assistant Legal Adviser 3

Mr Anthony CHU  
Senior Council Secretary (1)6

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**I Confirmation of minutes**  
(LC Paper No. CB(1)1052/12-13) -- Minutes of meeting on  
8 May 2013

The minutes of the meeting held on 8 May 2013 were confirmed.

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**II Meeting with the Administration**

- (LC Paper No. CB(3)483/12-13 -- The Bill  
File Ref.: TsyB R 183/700-6/4/0 (C) -- Legislative Council Brief  
LC Paper No. LS41/12-13 -- Legal Service Division Report
- LC Paper No. CB(1)988/12-13(01) -- Marked-up copy of the Bill prepared by the Legal Service Division  
*(Restricted to members)*
- LC Paper No. CB(1)988/12-13(02) -- Letter from Assistant Legal Adviser to the Administration dated 19 April 2013
- LC Paper No. CB(1)988/12-13(03) -- Administration's response to the letter from Assistant Legal Adviser as set out in LC Paper No. CB(1)988/12-13(02)
- LC Paper No. CB(1)988/12-13(04) -- Paper on Inland Revenue (Amendment) Bill 2013 prepared by the Legislative Council Secretariat (Background brief)

2. The Bills Committee deliberated (Index of proceedings attached at the **Appendix**).

Declaration of interests

3. The Chairman declared that he was involved in the provision of legal advice on comprehensive avoidance of double taxation agreements ("CDTAs") from time to time in his capacity as head of tax practice in a legal firm. Mr YIU Si-wing declared that his company held overseas investment items. Ms Starry LEE declared that she was an accountant in a firm which provided tax advisory services.

4. Deputy Secretary for Financial Services and the Treasury (Treasury)<sup>2</sup> highlighted the salient points of the proposed amendments in the Inland Revenue (Amendment) Bill 2013 ("the Bill"), as detailed in her speaking note tabled at the meeting.

*(Post-meeting note: The speaking note was issued to members vide LC Paper No. CB(1)1091/12-13(01) on 22 May 2013.)*

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Follow-up actions to be taken by the Administration

*Disclosure of information generated prior to the effective date of the relevant comprehensive avoidance of double taxation agreement or tax information exchange agreement*

5. The Bills Committee noted that under the Bill, the Administration proposed to amend section 4 of the Inland Revenue (Disclosure of Information) Rules (Cap. 112 sub. leg. BI) ("the Disclosure Rules") so that the Commissioner of Inland Revenue ("CIR") might disclose information that had been generated before the relevant arrangements (e.g. CDTA or tax information exchange agreement ("TIEA")) came into operation if he was satisfied that the information related to the carrying out of the provisions of the relevant arrangements, or the administration or enforcement of the tax law of the requesting government's territory, in respect of any period that started after the date on which the relevant arrangements came into operation. Members were concerned that the proposed relaxation might lead to compulsory disclosure of information generated more than seven years before the relevant CDTA/TIEA came into operation, even though sections 51C and 51D of the Inland Revenue Ordinance (Cap. 112) only stipulated a seven-year period for the retention of business and rent records, and that such disclosure requirements might apply to third parties (e.g. trading partners, taxation agents) as well as CIR and the taxpayer who was the subject of the request under a CDTA/TIEA. If so, the relaxation would have an effect of widening the coverage of tax information to be disclosed to an unlimited extent as far as the timeframe and third parties involved were concerned.

6. In this connection, the Administration was requested to provide the following information --

- (a) from the legal (citing the relevant provisions) and policy perspectives, whether the concerns in the last paragraph were valid; if not, the reasons;
- (b) the legal and policy considerations for not restricting disclosure to information generated no more than seven years prior to the effective date of the relevant CDTA/TIEA;
- (c) the steps that CIR would take to notify the taxpayers concerned about the tax information to be disclosed to a requesting government under the relevant CDTA/TIEA; whether the

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taxpayer could object to the disclosure of all or any of the information CIR was prepared to disclose to the requesting government; if yes, on what grounds;

- (d) the particulars to be contained in a disclosure request (which are set out in the schedule to the Disclosure Rules); and
- (e) to illustrate the merits of the proposed relaxation, examples of requests for information generated prior to the effective date of the relevant agreement which CIR considered to be foreseeably relevant to the carrying out of the provisions of the relevant agreement, or to the administration or enforcement of the tax law of the requesting government's territory, in respect of any period that started after the date on which the agreement came into operation, and the reasons why CIR considered such information to be foreseeably relevant.

*Information requests received since the implementation of comprehensive avoidance of double taxation agreements*

7. The Administration was also requested to provide information about the number and nature of exchange of tax information requests received since Hong Kong entered into CDTAs with other jurisdictions, including in particular --

- (a) the number of cases relating to "transfer pricing";
- (b) the number of cases in which the information requested was not considered "foreseeably relevant"; and
- (c) whether objections or complaints had been received from taxpayers or third parties about the disclosure of such information.

*(Post-meeting note: The Administration's supplementary information in response to members' requests in paragraphs 6 and 7 above was circulated to members vide LC Paper No. CB(1)1145/12-13(02) on 29 May 2013.)*

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**III Any other business**

Meeting with deputations and date of next meeting

8. The Chairman advised members that the next meeting would be held at 8:30 am on 31 May 2013 and a meeting with deputations would be held at 2:30 pm on 3 June 2013 for relevant organizations and members of the public to give views to the Bills Committee.

9. There being no other business, the meeting ended at 12:32 pm.

Council Business Division 1  
Legislative Council Secretariat  
11 September 2013

**Bills Committee on Inland Revenue (Amendment) Bill 2013**

**Proceedings of the second meeting  
on Tuesday, 21 May 2013, at 10:45 am  
in Conference Room 2B of the Legislative Council Complex**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
000142 - 000234	Chairman	Confirmation of minutes of meeting on 8 May 2013 (LC Paper No. CB(1)1052/12-13)	
000235 - 001600	Administration	Briefing on the Inland Revenue (Amendment) Bill 2013 ("the Bill") (LC Paper No. CB(1)1091/12-13(01))	
001601 - 001630	Chairman	Declaration of interests by the Chairman	
001631 - 003159	Mr James TO Administration	<p>Noting that the Bill proposed to enable the Commissioner of Inland Revenue ("CIR") to provide information that had been generated before the relevant arrangements (e.g. comprehensive avoidance of double taxation agreement ("CDTA") or tax information exchange agreement ("TIEA")) came into operation where the information requested related to the carrying out of the provisions of the relevant arrangements, or to the administration or enforcement of the tax law of the requesting government's territory, in respect of any period that started after the relevant arrangements came into operation, Mr James TO enquired --</p> <p>(a) whether the tax authorities of other jurisdictions could request information possessed by Government departments, such as the Inland Revenue Department ("IRD") and third parties, such as trading partners and taxation agents, apart</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		<p>from the taxpayer which was the subject of the request under CDTAs or TIEAs; and</p> <p>(b) whether there was a time limit for information requested.</p> <p>Mr TO expressed concern that --</p> <p>(a) the workload of IRD would greatly increase if a large number of requests for disclosure of information from the tax authorities of other jurisdictions were received; and</p> <p>(b) the relaxation of the limitation on disclosure would place a burden on trading partners who had transactions with the concerned taxpayer in respect of provision of tax information.</p> <p>The Administration replied that --</p> <p>(a) before disclosing information in response to a request for information disclosure from the tax authorities of another jurisdiction, IRD would require them to set out certain particulars of the request, including details of the persons believed to have possession of the information requested; moreover, CIR was required to inform the taxpayer concerned of the disclosure request under the Inland Revenue (Disclosure of Information) Rules (Cap. 112 sub. leg. BI) ("Disclosure Rules");</p> <p>(b) the taxpayer concerned had the right to request a copy of the information that CIR was prepared to disclose, and ask CIR to amend any part of the information on the grounds that the information was factually incorrect or</p>	



Time marker	Speaker	Subject(s)	Action required
		<p>did not relate to the taxpayer; subject to the passage of the Bill, such notification system would be extended to future TIEAs;</p> <p>(c) under sections 51C and 51D of the Inland Revenue Ordinance ("IRO") (Cap. 112), every person carrying on a trade, profession or business in Hong Kong and every owner of land or building situated in Hong Kong were required to retain business and rent records for a period of not less than seven years after the completion of the relevant transactions; the Administration had no intention to change this record-keeping requirement;</p> <p>(d) the Administration upheld the policy of imposing a limitation on exchange of information ("EoI"); the proposal in the Bill only fine-tuned the limitation on disclosure by allowing CIR to disclose, in response to an EoI request, information that was "foreseeably relevant" if he was satisfied that such information related to any period that started after the date on which the relevant CDTAs (or TIEAs subject to the passage of the Bill) came into operation; and</p> <p>(e) under the existing EoI arrangements, the Administration was obliged to collect information from third parties, if necessary, for supply to the requesting government in respect of the EoI request if the requested information was "foreseeably relevant".</p>	
003200 - 003854	Mr CHAN Kin-por Administration	<p>Mr CHAN Kin-por enquired --</p> <p>(a) whether the taxpayer could object to</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>CIR's decision to disclose information to the tax authorities of another jurisdiction after he had received a copy of information to be disclosed;</p> <p>(b) noting that the 29 CDTAs Hong Kong had signed only included 11 of Hong Kong's top 20 trading partners, the reasons for not having concluded the agreements with the other nine partners and whether the proposed enhanced EoI arrangements would be conducive to signing/concluding more CDTAs; and</p> <p>(c) referring to paragraph 7 of the Legislative Council Brief on the Bill ("the LegCo Brief") (Ref: TsyB R 183/700-6/4/0(C)) in which some safeguard features of the current EoI arrangements to protect an individual's right to privacy and confidentiality of information exchanged were set out, how the Administration could ensure that the contracting party of the CDTA would comply with those provisions.</p> <p>The Administration explained that --</p> <p>(a) the taxpayer had the right to request CIR to amend the information he was prepared to disclose under CDTAs to the tax authorities of another jurisdiction on the grounds that it did not relate to him/her or it was factually incorrect; upon request, CIR might amend the whole or part of the information that he was prepared to disclose;</p> <p>(b) there were initial talks with some of the nine top-20 trading partners which had not signed CDTAs with Hong Kong, including Germany and</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Australia; some jurisdictions had expressed their concern about the present limitation on disclosure and would look forward to the enhanced EoI arrangements; some of the jurisdictions which had signed CDTAs with Hong Kong had expressed views on the restriction of EoI arrangements in respect of the tax types covered by CDTAs as well as the limitation on disclosure, and the need to reflect in the CDTAs any enhancements in EoI arrangements;</p> <p>(c) EoI safeguards were included in the text of Hong Kong's CDTAs signed and all CDTAs that Hong Kong had entered into were implemented in the form of subsidiary legislation subject to negative vetting by LegCo; if the other party to the CDTA violated its obligations under the agreement, the Administration would raise concerns and objections and, if warranted, decline to exchange information with the other party; in negotiating a CDTA with a jurisdiction, the Administration would consider a host of factors, including whether the other party had a legal framework or confidentiality provisions to ensure the protection as enshrined in the EoI safeguards.</p> <p>Responding to Mr CHAN's enquiry, the Administration replied that the taxpayer and the third parties who were in possession of the information requested were obliged under the law to supply the said information to the Administration.</p>	
003855 - 005607	Mr YIU Si-wing Administration	<p>Declaration of interests by Mr YIU Si-wing</p> <p>Mr YIU enquired about --</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		<p>(a) whether EoI would apply to taxes of different levels, such as federal and state taxes;</p> <p>(b) if a taxpayer suffered damages due to tax imposed by the tax authorities of another jurisdiction based on the information disclosed by the Administration, whether the Administration would be held liable to such damages and subjected to legal actions from the taxpayer; and</p> <p>(c) given that Hong Kong had a simple tax system and the tax systems of other jurisdictions were more complex, whether negotiations on entering into new CDTAs could be based on Hong Kong's tax system.</p> <p>The Administration explained that --</p> <p>(a) the tax types (such as federal tax or state tax) to be covered by a CDTA/TIEA would be specified in the agreement;</p> <p>(b) IRD would carefully consider each EoI request which should contain the particulars required as set out in the Schedule to the Disclosure Rules to demonstrate that the information requested fulfilled the "foreseeably relevant" requirement;</p> <p>(c) the Administration would not make any investigation or take enforcement actions on behalf of the tax authorities of other jurisdictions; it would only disclose the relevant information as requested according to the provisions of CDTA and the local legislation;</p> <p>(d) under the existing practice, the</p>	

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		<p>Administration had sought to restrict EoI to direct taxes (profits tax, salaries tax and property tax in Hong Kong) during the negotiation process; Hong Kong was the only jurisdiction which restricted EoI to direct taxes and some jurisdictions with which Hong Kong had concluded CDTAs successfully had raised grave concerns about this restriction; in its continuous efforts in expanding Hong Kong's CDTA network, the Administration proposed to relax EoI in respect of tax types to make it on par with international standards;</p> <p>(e) cross-border transactions should be conducted on the "arm's length principle" and the pricing could be pre-determined by applying the advance pricing arrangements; the transfer pricing issue in international trade would affect the profits generated and tax payable in different jurisdictions;</p> <p>(f) while the Administration would consider each claim for damages individually, in general, multi-national enterprises were under the obligation and the duty to pay tax to the relevant jurisdictions as required by the law; the Administration was obliged under the relevant EoI article of a CDTA to provide the requested information to a contracting party; any claimed damages resulting from the tax imposed by the tax authorities of another jurisdiction, representing no more than the tax that should have been paid, might be attributable to non-compliance with the "arm's length principle" and not necessarily to the information provided by the</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Administration; and</p> <p>(g) as there was a safeguard provision in the model CDTA that the contracting parties had no obligation to carry out measures at variance with domestic laws and practices, the tax authorities of other jurisdictions should ensure that their actions were in compliance with local laws.</p> <p>Responding to Mr YIU's enquiry on the Administration's bottom line in the negotiations on CDTAs and TIEAs, the Administration explained that it would accord priorities to signing CDTAs with trading partners to avoid double taxation; in the negotiations, the Administration would ensure that the other party had the necessary legal framework in place to offer the protection as enshrined in the agreement; while the Administration would strive for a breakthrough in CDTAs with the EoI enhancements, the bottom line was that the protection for Hong Kong taxpayers' interests would not be compromised.</p>	
005608 - 010359	Chairman Administration	<p>The Chairman asked the Administration to provide written information on –</p> <p>(a) from the legal and policy perspectives, whether the proposed relaxation on disclosure of tax information would lead to compulsory disclosure of information generated more than seven years before the relevant CDTA/TIEA came into operation and whether such disclosure requirements might apply to third parties; and</p> <p>(b) the steps that CIR would take to notify the taxpayers concerned about the tax information to be disclosed to a requesting government under the</p>	<p>The Administration to take follow-up action as in paragraphs 6(a) and 6(c) of the minutes</p>

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		<p>relevant CDTA/TIEA; whether the taxpayer could object to the disclosure of all or any of the information CIR was prepared to disclose to the requesting government; if yes, on what grounds.</p> <p>The Administration responded that no additional legal responsibility on the retention of records would be created for taxpayers in Hong Kong due to the proposal to fine-tune the limitation on disclosure. Business and rent records had to be kept for no less than seven years after the completion of the transactions. The Administration also re-confirmed that taxpayers had no responsibility under IRO to keep records of transactions which happened more than seven years before.</p> <p>The Administration explained the steps that CIR would take to notify the person who was the subject of a request of tax information disclosure under a CDTA about the request.</p>	
010400 - 011130	Chairman Administration	<p>The Chairman enquired about the consequences of Hong Kong's failure to pass the Phase 2 peer review to be conducted by the Global Forum on Transparency and Exchange of Information for Tax Purposes ("the Global Forum") of the Organisation for Economic Cooperation and Development in September 2013.</p> <p>The Administration replied that the Global Forum delegation had conducted an on-site visit to Hong Kong for the Phase 2 peer review in March 2013 and recommended that Hong Kong should put in place a legal framework for TIEAs. According to the Global Forum, whether Hong Kong could pass the Phase 2 peer review would hinge on the availability of</p>	

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		<p>such a framework. Without a legal framework for TIEAs, the image of Hong Kong as an international financial centre would be tarnished. Other countries would query Hong Kong's efforts to fulfill its international obligations of enhancing tax transparency and preventing tax evasion. Hong Kong's position and competitiveness as an international business and financial centre would be undermined. If Hong Kong failed in the Phase 2 peer review, it might be labeled as an uncooperative jurisdiction and there was a possibility of sanctions being unilaterally imposed on Hong Kong. Sanctions for uncooperative jurisdictions might include: placing them in the "blacklist", which would affect the tax concessions and trade opportunities to be enjoyed by the companies of these jurisdictions; imposing more stringent documentation requirements on transactions with companies from these jurisdictions; adding a new or higher withholding tax on payments to residents of these jurisdictions; applying controlled foreign corporation rules to subsidiary companies in these jurisdictions whereby profits of subsidiary companies in these jurisdictions would be aggregated with the profits of the parent company and taxed together; and every transaction from these jurisdictions would have to be subject to the anti-tax avoidance provisions, and so on. If any of these measures was applied to Hong Kong, the transaction costs of companies doing business with Hong Kong companies would be increased. Further negotiation of CDTAs would become more difficult.</p>	
011131 - 011353	Ms Starry LEE Administration	<p>Declaration of interests by Ms Starry LEE</p> <p>Responding to Ms LEE's enquiry, the Administration advised that since 2009,</p>	



Time marker	Speaker	Subject(s)	Action required
		<p>the Administration had received around 61 requests for disclosure of information from the tax authorities of other jurisdictions under the relevant CDTAs. All requests had been processed and no complaints, adverse comments or objections had been received from the relevant stakeholders.</p>	
<p>011354 - 013355</p>	<p>Mr James TO Administration Chairman</p>	<p>With reference to the illustrative example in footnote 3 of the LegCo Brief, Mr James TO queried the criteria for the Administration to determine whether an EoI request fulfilled the "foreseeably relevant" requirement. He expressed concern about the role of IRD as the sole gatekeeper on such requirement whereas the concerned taxpayer had no way to object to a disclosure of information on the ground that the information did not meet the "foreseeably relevant" requirement.</p> <p>Mr TO opined that as Hong Kong was a low-tax jurisdiction with a simple tax regime and the taxation systems of most other jurisdictions were more complex, it was natural and in the interests of these jurisdictions to seek more tax information from Hong Kong.</p> <p>On the proposal to allow disclosure of information generated before the CDTAs/TIEAs came into operation, Mr TO expressed concern that --</p> <ul style="list-style-type: none"> <li>(a) it might lead to fishing expeditions;</li> <li>(b) it would have an impact on third parties which had transactions with the taxpayer who was the subject of request of information, while these third parties did not expect their information would be handed over to the tax authorities of other</li> </ul>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		<p>jurisdictions for the tax administration and enforcement of their tax laws; and</p> <p>(c) the third parties would have to provide to the Administration information which was generated more than seven years before the relevant CDTA/TIEA came into effect if they had such information in their possession.</p> <p>Mr TO asked whether the Administration would consider setting a clear policy that would restrict EoI requests to information that was generated no more than seven years prior to the effective date of the relevant CDTA/TIEA.</p> <p>The Administration explained that --</p> <p>(a) IRD would require the tax authorities of other jurisdictions to provide particulars of their EoI requests for IRD to determine whether the requested information met the “foreseeably relevant” requirement; the required particulars were those listed in the Schedule to the Disclosure Rules;</p> <p>(b) implementation of the proposals in the Bill would not alter the existing statutory requirement for taxpayers to retain business and rent records for no less than seven years after the completion of the transactions;</p> <p>(c) if the taxpayer and/or third parties had the requested information which was generated more than seven years before the effective date of the relevant CDTA/TIEA, they would be obliged under the law to provide it to the Administration.</p>	The Administration

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		<p>The Administration was requested to provide written information on --</p> <ul style="list-style-type: none"> <li>(a) the legal and policy considerations for not restricting disclosure to information generated no more than seven years prior to the effective date of the relevant CDTA/TIEA;</li> <li>(b) the particulars to be contained in a disclosure request; and</li> <li>(c) to illustrate the merits of the proposed relaxation, examples of requests for information generated prior to the effective date of the relevant agreement which CIR considered to meet the "foreseeably relevant" requirement, and the reasons for CIR to have formed such a view.</li> </ul>	<p>to take follow-up actions as in paragraphs 6(b), 6(d) and 6(e) of the minutes</p>
<p>013356 - 013817</p>	<p>Chairman Administration</p>	<p>The Chairman quoted media comments that Hong Kong's competitiveness would be undermined if a legal framework for TIEAs was in place, which would prompt other jurisdictions to enter into TIEAs, instead of CDTAs, with Hong Kong.</p> <p>The Administration replied that similar concerns had been expressed during previous consultation exercises with stakeholders. However, an enhanced EoI arrangement would facilitate Hong Kong in negotiating new CDTAs with more jurisdictions, including Hong Kong's major trading partners, such as Germany and Australia. The Administration accorded top priority to expanding the CDTA network worldwide in view of the benefits of CDTAs to business and trade. However, it was a fact that some countries preferred signing TIEAs to CDTAs.</p>	
<p>013818 -</p>	<p>Ms Starry LEE</p>	<p>Ms Starry LEE opined that the</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
014530	Administration	<p>Administration should adopt a cautious and prudent approach in enhancing the EoI arrangements. She enquired --</p> <ul style="list-style-type: none"> <li>(a) whether Singapore, similar to Hong Kong in adopting the territorial basis of taxation, had a legal framework for TIEAs;</li> <li>(b) out of the 61 EoI requests processed since 2009, how many involved transfer pricing and how many were considered not meeting the "foreseeably relevant" requirement;</li> <li>(c) whether Hong Kong could choose to sign CDTA instead of TIEA, and</li> <li>(d) whether there were jurisdictions considered to be priority targets for entering into CDTAs.</li> </ul> <p>The Administration replied that --</p> <ul style="list-style-type: none"> <li>(a) both Singapore and Hong Kong adopted the territorial basis of taxation system. Singapore had enacted relevant legislation to provide for the legal framework for entering into TIEAs in end-2011. The country had signed one TIEA in end-2012;</li> <li>(b) among those members of the Global Forum which had passed the Phase 1 peer review, all but Hong Kong had legal frameworks for both CDTAs and TIEAs; and</li> <li>(c) as to the choice between CDTAs and TIEAs, the Administration adopted an open attitude; it was imperative that an enhanced EoI arrangement and a legal framework for TIEAs be in place so as to bring Hong Kong on</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
		<p>par with international standards and to allow the Administration more flexibility in the negotiations on CDTAs with other jurisdictions.</p> <p>The Administration was requested to provide information about the number and nature of EoI requests received since Hong Kong entered into CDTAs with other jurisdictions, including in particular --</p> <p>(a) the number of cases relating to "transfer pricing";</p> <p>(b) the number of cases in which the information requested was not considered "foreseeably relevant"; and</p> <p>(c) whether objections or complaints had been received from taxpayers or third parties about the disclosure of such information.</p>	<p>The Administration to take follow-up actions as in paragraphs 7(a), 7(b) and 7(c) of the minutes</p>
014531 - 014645	Mr CHAN Kin-por Administration	<p>In reply to Mr CHAN Kin-por's enquiry about the progress of the CDTA negotiation with India, the Administration advised that the negotiation was almost completed and the two sides were in the process of finalizing the text of the agreement. It was envisaged that the agreement would be signed soon.</p>	
014646 - 014740	Chairman	<p><u>Date of next meeting and public hearing</u></p> <p>The Chairman advised that the next meeting would be held on 31 May 2013 at 8:30 am and a meeting with deputations would be held on 3 June 2013 at 2:30 pm.</p>	

11 September 2013