

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1778/12-13  
(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 third meeting held on  
Friday, 31 May 2013, at 8:30 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 Starry LEE Wai-king, JP  
Hon Alan LEONG Kah-kit, SC  
Hon YIU Si-wing  
Hon Charles Peter MOK  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, JP

**Members absent** : Hon James TO Kun-sun  
Hon SIN Chung-kai, SBS, JP

**Public officers attending** : **Agenda item I**  
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 Brian CHIU Kwok-kit, JP  
Deputy Commissioner of Inland Revenue  
(Technical)

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

Mr Fred PANG  
Council Secretary (1)6

Ms Christina SHIU  
Legislative Assistant (1)6

---

Action

**I Meeting with the Administration**

(8:30 am - 10:25 am)

Matters arising from the meeting on 21 May 2013

(LC Paper No. CB(1)1145/12-13(01) -- Follow-up actions to be taken by the Administration for the meeting on 21 May 2013

LC Paper No. CB(1)1145/12-13(02) -- Administration's response to issues raised by members at the meeting on 21 May 2013)

Other relevant papers

(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  
(*issued on 7.5.2013*)

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)

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

Action

Declaration of interest

2. Ms Starry LEE declared that she was an accountant in a firm which provided tax advisory services but she was not involved in such services.

**II Any other business**

3. The Chairman reminded members that the fourth meeting would be held on Monday, 3 June 2013 at 2:30 pm to receive views from deputations and to meet with the Administration. He suggested that clause-by-clause examination of the Bill might start at the fourth meeting subject to the progress of discussion on policy issues related to the Bill at the meeting. Members raised no objection to the Chairman's suggestion.

4. The Bills Committee noted that the fifth meeting had been scheduled to be held on 7 June 2013 at 9:00 am.

5. There being no other business, the meeting ended at 9:42 am.

Council Business Division 1  
Legislative Council Secretariat  
11 September 2013

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

**Proceedings of the third meeting  
on Friday, 31 May 2013, at 8:30 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>
000227 - 000513	Chairman	Opening remarks	
000514 - 001146	Administration	Briefing by the Administration on its response to issues raised by members at the meeting on 21 May 2013 (LC Paper No. CB(1)1145/12-13(02))	
001147 - 001433	Chairman Administration	The Chairman's enquiry on the handling of requests for exchange of information ("EoI") relating to information generated prior to the effective date of a comprehensive avoidance of double taxation agreement ("CDTA") or a tax information exchange agreement ("TIEA")  The Administration's response	
001434 - 002018	Mr YIU Si-wing Chairman Administration	Mr YIU Si-wing's enquiry on the handling of EoI requests that failed to meet the standard of "foreseeable relevance"  The Chairman's enquiry on the handling of disputes over EoI requests between contracting parties  The Administration's response	
002019 - 002320	Mr YIU Si-wing Administration	Mr YIU Si-wing's enquiry on the requirements for taxpayers to keep records of income and expenditure for a period of not less than seven years after the transactions (sections 51C and 51D of the Inland Revenue Ordinance (Cap. 112) ("IRO"))  The Administration's response	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
002321 – 004449	Mr Alan LEONG Administration	<p>Mr Alan LEONG's enquiries on –</p> <p>(a) the justifications for the proposals under the Bill;</p> <p>(b) the appeal mechanism for the subject (the taxpayer) of an EoI request to object to the decision of the Commissioner of Inland Revenue ("CIR") regarding disclosure of tax information to a requesting jurisdiction; and</p> <p>(c) the arbitration mechanism, if any, for resolving the disputes between the contracting parties of a CDTA/TIEA</p> <p>The Administration's response</p>	
004450 - 004811	Mr YIU Si-wing Administration	<p>Mr YIU Si-wing's view that the Administration should take a progressive approach to meeting the international standard in respect of EoI and ensure that protection of taxpayers' interest would not be compromised</p> <p>The Administration's response</p>	
004812 - 005731	Ms Starry LEE Administration	<p>Declaration of interest by Ms Starry LEE</p> <p>Ms Starry LEE's enquiries on –</p> <p>(a) the benefits for local taxpayers brought by EoI arrangements;</p> <p>(b) the arrangement to ensure that contracting parties would fulfill the confidentiality requirements; and</p> <p>(c) the mechanism in place for taxpayers to object to the decision of CIR that an EoI request met the standard of "foreseeable relevance"</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		The Administration's response	
005732 - 010353	Mr YIU Si-wing Administration	<p>Mr YIU Si-wing's concerns about --</p> <p>(a) the adverse impact on trade relationship between Hong Kong and the other party to a CDTA in the event that the two sides terminated the CDTA; and</p> <p>(b) whether the proposed relaxation of the limitation on disclosure would increase taxpayers' burden in respect of provision of tax information</p> <p>The Administration's response</p>	
010354 - 010616	Chairman Administration	<p>The Chairman's enquiry on how the Inland Revenue Department assessed whether an EoI request had met the standard of "foreseeable relevance"</p> <p>The Administration's response</p>	
010617 - 011351	Assistant Legal Adviser 3 ("ALA3") Administration Chairman Mr Alan LEONG	<p>Enquiries by ALA3 and the Chairman on arrangements for arbitration on disputes between contracting parties, with reference to paragraph 6 of Article 23 (Mutual Agreement Procedure) of the CDTA signed between Hong Kong and Canada at the Schedule to the Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income) (Canada) Order (Cap. 112 sub. leg. CF)</p> <p>Mr Alan LEONG's view that an arbitration provision similar to that in paragraph 6 of Article 23 of the above Agreement should be incorporated in future CDTAs/TIEAs</p> <p>The Administration's response</p> <p>Date of next meeting</p>	

Council Business Division 1  
Legislative Council Secretariat  
11 September 2013