

財經事務及庫務局



FINANCIAL SERVICES AND THE
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30 October 2015

Ms Annette Lam
Clerk to Subcommittee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Lam,

**Subcommittee on the Six Orders Made under Section 49(1A) of the
Inland Revenue Ordinance and Gazetted on 2 October 2015**

Follow-up to the meeting on 27 October 2015

I refer to your letter yesterday afternoon, and set out below our response to the issue raised.

For each and every Comprehensive Avoidance of Double Taxation Agreement ("CDTA") and Tax Information Exchange Agreement ("TIEA") signed by Hong Kong, the other contracting party is invariably a separate and distinct tax jurisdiction which has the jurisdiction to administer the taxes covered by the agreement and not taxes it does not administer. By being a tax jurisdiction, such contracting party shall have its applicable taxation laws, and is required to comply with and give effect to the terms of the agreement by legislative enactment or administrative measures. Moreover, it is also required to designate its own competent authority (like the Inland Revenue Department as in the case of Hong Kong) for the execution of the agreement and the conduct of exchange of information. On the basis of such an understanding, the contracting party to which the term "jurisdiction" pertains in the agreement involved is the "tax jurisdiction" which concluded the agreement, and not any other parties.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Poon'.

(Gary Poon)

for Secretary for Financial Services and the Treasury

c.c. Commissioner of Inland Revenue (Attn: Mr CHIU Kwok-kit)
Department of Justice (Attn: Ms Alice CHOY)
Department of Justice (Attn: Ms Carmen CHU)