

Bills Committee on Inland Revenue (Amendment) Bill 2016

**List of follow-up actions arising from the discussion
at the meeting on 22 March 2016**

Offence relating to the signing of self-certification that is misleading, false or incorrect

Regarding a member's suggestion that the Inland Revenue Department ("IRD") should seek confirmation from the account holder concerned before establishing an offence relating to the signing of self-certification that is misleading, false or incorrect and taking enforcement actions, the Administration is requested to clarify whether the suggestion is feasible or not taking into account the Common Reporting Standard promulgated by the Organisation for Economic Co-operation and Development, the practices of other tax jurisdictions and other factors (e.g. operational difficulties).

Issue of search warrant

2. The proposed amended section 51B of the Inland Revenue Ordinance (Cap. 112) provides for a search warrant to be issued against a reporting financial institution ("FI") or its service provider under specified conditions (i.e. clause 6 of the Bill). The Administration is requested to elaborate on the steps envisaged to be taken by IRD with the FI or the service provider concerned before proceeding to obtain a search warrant from the magistrate for IRD to exercise the powers under the said section.

Drafting issues

3. The Administration is requested to review whether "commodity" ("商品") in the proposed definition of "financial asset" under clause 4 of the Bill should be amended to "commodity futures" ("商品期貨"), with a view to reflecting the intended scope of "commodity" more precisely and aligning with the drafting in the other parts of the Bill (e.g. in the definition of "investment entity" where "commodity futures" ("商品期貨") is used).