



BCT

銀聯集團

Automatic Exchange of Financial Account Information (AEOI) in Tax Matters and How It May Impact You

Automatic Exchange of Financial Account Information (AEOI) in tax matters relating to MPF schemes and ORSO registered schemes will take effect on 1 January 2020. This is a quick guide for you to understand more about AEOI and implications to employers, employees / account holders.



Objectives of AEOI

- To comply with the Organisation for Economic Cooperation and Development (OECD)'s Common Reporting Standard (CRS) established in July 2014
- To **enhance tax transparency and combat cross-border tax evasion**
- To fulfill Hong Kong's obligations and responsibilities as an international financial centre

What is AEOI?

MPF schemes and ORSO registered schemes will become reporting financial institutions (Reporting FIs), and are required to comply with the due diligence and reporting obligations by **collecting the tax residence information of scheme members and reporting to the Inland Revenue Department (IRD)** the account information of those members who are tax residents outside Hong Kong and reportable persons. **The IRD will transmit the information to the relevant tax authorities in AEOI partner jurisdictions.**

Information to be reported

Scheme members and employers (i.e. entity) will be asked to provide the following information in the self-certification, which is incorporated in the relevant application forms or in standalone approach.

Scheme members

- ☐ Name
- ☐ Residence Address
- ☐ Date of Birth
- ☐ Jurisdiction(s) of Tax Residence
- ☐ Tax Identification Number(s) (TIN)

Employers (i.e. entity)

- ☐ Name
- ☐ Business Address
- ☐ Jurisdiction(s) of Tax Residence
- ☐ Tax Identification Number(s) (TIN)
- ☐ Entity Types (i.e. CRS classification)
- ☐ Details of Controlling Person (for certain entity type)

When will it apply to MPF schemes and ORSO registered schemes?



Effective date

Implications to Scheme Members and Employers

➔ For New Scheme Members



With effect from 1 January 2020, new members must provide a valid **self-certification**, a formal declaration that account holders make in connection with their tax residence under the AEOI regime, which is embedded in the relevant enrolment form.

➔ For Pre-existing Members



(i.e. holding accounts which are already in existence on 31 December 2019)

BCT will perform due diligence within the statutory timeframe, including procedures for the review of electronic and paper records, as applicable.

Under certain circumstances (e.g. change in tax residency or personal particulars), pre-existing members may also be required to provide a valid self-certification. In this case, BCT will notify the relevant members for necessary arrangement.

➔ For Employers



- **New employers joining** the MPF schemes / ORSO registered schemes will be asked to complete the **entity self-certification**, which is incorporated in the relevant application forms and / or the details of controlling person.
- As employers are required by law to enroll newly joined employees in an MPF scheme within the permitted period and make timely MPF contributions, they are reminded to take all practical steps to **request new employees to complete, sign and submit the self-certification forms properly and promptly** when enrolling these new employees into MPF schemes and ORSO registered schemes. Otherwise, account opening process will be adversely affected and could not be completed

Please be reminded to use the new forms starting from 1 January 2020

(New forms will be available for download from BCT's website since 3 December 2019)



No matter you are scheme members or employers, please visit BCT's website to view / download the new forms or relevant documents related to AEOI



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