



強制性公積金計劃管理局  
MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

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**By Email**

10 September 2018

**Circular Letter: SUCOT2018001**

**To: Representative/Relevant Employers of ORSO Registered Schemes and Administrators of ORSO Registered Schemes**

Dear Sirs,

**Automatic Exchange of Financial Account Information in Tax Matters (AEOI) – Implications for ORSO registered schemes**

Further to our letter dated 13 January 2017, the Authority would like to provide an update for ORSO registered schemes on the latest developments relating to AEOI.

In December 2017, the Organisation for Economic Co-operation and Development conducted an assessment on Hong Kong's inclusion of Mandatory Provident Fund (MPF) schemes, ORSO registered schemes, ORSO pooling agreements and approved pooled investment funds as jurisdiction-specific low-risk non-reporting financial institutions (NRFIs) and concluded that these entities should not be considered as NRFIs. To meet the international requirements, the Government will commence a legislative amendment exercise to remove these entities from the list of NRFIs under the Inland Revenue Ordinance (IRO).

After the enactment of the relevant legislation, the aforementioned entities (including ORSO registered schemes and ORSO pooling agreements) will become reporting financial institutions (reporting FIs) under the AEOI regime, together with banks, specified insurance companies and other reporting FIs.

## **Implications on ORSO registered schemes**

Under the AEOI regime, a reporting FI is required to identify financial accounts held by tax residents of reportable jurisdictions in accordance with the specified due diligence procedures. Reporting FIs are required to collect the reportable information of these accounts and furnish such information to the Inland Revenue Department (IRD). The IRD will exchange such information with the tax authorities of the AEOI partner jurisdictions (AEOI Partners) of Hong Kong on an annual basis. It is planned that MPF schemes and ORSO registered schemes will start conducting due diligence procedures and collecting the relevant information from 1 January 2020 onwards.

To comply with the AEOI requirements, ORSO scheme employers/administrators may wish to start the preparatory work as soon as possible. ORSO scheme employers/administrators should critically assess the potential implications of AEOI on your ORSO registered schemes and consider the need to implement any necessary process and controls to ensure compliance with the due diligence, reporting and other obligations under the IRO.

## **Communication to ORSO scheme members**

It is important to ensure ORSO scheme members are fully informed of whether and how AEOI might affect their interests as members of ORSO registered schemes. Your company should communicate clearly to scheme members of the purpose of and expectation in connection with the AEOI arrangement, in particular in terms of information collection and updating. If necessary, enhanced disclosure/communication may have to be made by way of member notices, FAQ posted on websites, seminars etc.

We would also like to take this opportunity to remind you to observe the requirements under the Personal Data (Privacy) Ordinance (Cap 486) when handling ORSO scheme members' personal data.

For the representative employers of ORSO registered schemes, please forward a copy of this letter to the relevant employers under the respective ORSO schemes.

## **Further Information**

The Government and the Authority will arrange briefing sessions in September 2018 to explain to administrators of ORSO schemes the Government's policy in relation to the AEOI regime and the due diligence, reporting and other obligations under AEOI. We will contact ORSO scheme administrators direct for enrolment arrangement.

IRD has issued guidance and reference materials such as pamphlets and FAQs, which can be accessed at [www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](http://www.ird.gov.hk/eng/tax/dta_aeoi.htm). If there is any doubt concerning the obligations under the AEOI, please seek professional advice as soon as possible.

If you have any questions in relation to AEOI requirements, please send your enquiry to [aeoi\\_gen@ird.gov.hk](mailto:aeoi_gen@ird.gov.hk) (for general enquiry) or [aeoi\\_it@ird.gov.hk](mailto:aeoi_it@ird.gov.hk) (for enquiry relating to XML Schema and User Guide). Should you have any other queries, please feel free to contact us on 2918 0102.

Yours faithfully,



Paul Yu  
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ORSO Schemes Section  
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Encl

c.c. The Hong Kong Trustees' Association Limited  
The Hong Kong Federation of Insurers