

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)034**

**(Question Serial No. 1064)**

Head: (76) Inland Revenue Department

Subhead (No. & title): (000) Operating Expenses

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision of the Inland Revenue Department (IRD) for Programme (1): Assessing Functions is \$1,319.6 million.

As mentioned in “Matters Requiring Special Attention in 2020-21”, the IRD will “strive to expand Hong Kong’s network of double taxation agreements”. Please advise on:

1. the number of tax jurisdictions that have signed a double taxation agreement with Hong Kong to date;
2. the objectives and details of the plan to expand the network of double taxation agreements in the coming year; and
3. whether additional manpower and expenditure are required for the relevant work.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 31)

Reply:

1. Hong Kong has so far signed Comprehensive Avoidance of Double Taxation Agreements (CDTAs) with 43 tax jurisdictions.
2. At present, Hong Kong is in CDTA negotiations with 14 tax jurisdictions, namely Bahrain, Bangladesh, Cyprus, Georgia, Germany, Israel, Lithuania, Maldives, Mauritius, North Macedonia, Norway, Nigeria, Serbia and Turkey. We will continue to proactively identify negotiation partners, in particular countries participating in the Belt and Road Initiative, with a view to bringing the total number of CDTAs to 50 by end-2022.
3. A Deputy Commissioner of the Inland Revenue Department (IRD) is responsible for overseeing the CDTA negotiations and leading the IRD’s Tax Treaty Section to handle the related work. Since such work forms part of the regular duties of the IRD, the

manpower and expenditure involved have been included in the overall establishment and expenditure of the IRD. The IRD will review the manpower arrangements from time to time and, where operational needs so require, apply for additional manpower and funding in accordance with the established procedures.

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