

**Inland Revenue (Amendment) (Automatic Exchange of
Information) Ordinance 2026**

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HONG KONG SPECIAL ADMINISTRATIVE REGION

ORDINANCE NO. 4 OF 2026



John KC LEE
Chief Executive
25 June 2026

An Ordinance to amend the Inland Revenue Ordinance to strengthen the administrative framework for automatic exchange of information in tax matters in Hong Kong to ensure effective implementation of the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development; and to provide for related and textual amendments.

[1 January 2027]

Enacted by the Legislative Council.

1. Short title and commencement

- (1) This Ordinance may be cited as the Inland Revenue (Amendment) (Automatic Exchange of Information) Ordinance 2026.
- (2) This Ordinance comes into operation on 1 January 2027.

2. Inland Revenue Ordinance amended

The Inland Revenue Ordinance (Cap. 112) is amended as set out in sections 3 to 18.

Section 3

3. Section 50A amended (interpretation)

- (1) Section 50A(1), definition of *reporting financial institution*, paragraph (a), before “(excluding”—

Add

“within the meaning of subsection (15)”.

- (2) Section 50A(1), definition of *reporting financial institution*—

Repeal the Note.

4. Section 50AB added

After section 50A—

Add

“50AB. Reporting financial institutions must register

- (1) A reporting financial institution must register with the Commissioner in accordance with subsection (2).
- (2) The registration must be made—
- (a) in the form of an electronic record that is sent by using a system designated by the Commissioner;
 - (b) in the manner specified by the Commissioner; and
 - (c) on or before the later of the following dates—
 - (i) 31 March 2027;
 - (ii) 31 January of the year following the calendar year in which the financial institution first becomes a reporting financial institution.”.

5. Section 50B amended (due diligence obligations on reporting financial institutions)

Section 50B(1)(a)(iii)—

Repeal

everything after “kept”

Substitute

“until the expiry of—

- (A) subject to sub-subparagraph (B), a period of 6 years immediately after the calendar year to which the evidence and record relate; or
- (B) if there is any return required to be furnished in respect of the specified information period mentioned in section 50C(2) and to which the evidence and record relate—the specified record keeping period mentioned in section 50D(2); and”.

6. Section 50D amended (further obligations of reporting financial institutions relating to returns)

- (1) Section 50D, heading, after “returns”—

Add

“etc.”.

- (2) Section 50D(1)—

Repeal

everything after “records”

Substitute

“of the information, which is to be reported in a return that is required to be furnished under section 50C(1), until the expiry of the specified record keeping period to enable the correctness and accuracy of the information to be readily ascertained.”.

(3) Section 50D—

Repeal subsections (2), (3) and (4)

Substitute

- “(2) For the purposes of subsection (1), the specified record keeping period is a period of 6 years immediately after the date by which the return is required to be furnished under section 50C(1).
- (3) If a reporting financial institution changes its address, it must notify the Commissioner of its new address within 1 month after the change.
- (4) If an entity ceases to be a reporting financial institution, it must give a notice of the cessation to the Commissioner within 1 month after the cessation.
- (5) If, subsequent to the cessation mentioned in subsection (4), the entity again becomes a reporting financial institution, within 1 month after its again becoming a reporting financial institution, the entity must give a notice of that fact to the Commissioner.
- (6) After an entity has given a notice under subsection (4) that it ceases to be a reporting financial institution but before a notice is given under subsection (5)—
 - (a) if the entity changes its address—the entity must notify the Commissioner of its new address within 1 month after the change; and

- (b) the entity must ensure that the requirement under subsection (1) is complied with despite the cessation.
- (7) A notification under subsection (3) or (6)(a), or a notice under subsection (4) or (5), must be given—
 - (a) in the form of an electronic record that is sent by using a system designated by the Commissioner; and
 - (b) in the manner specified by the Commissioner.
- (8) If an entity is dissolved and, at any time during the 6 years before the dissolution, it was a reporting financial institution, every person who was a director of (or, if there was no director, every person who was a trustee of, or who was responsible for the management of) the entity immediately before the dissolution (*specified officer*) must—
 - (a) give a notice of the dissolution to the Commissioner within 1 month after the dissolution; and
 - (b) ensure that the requirement under subsection (1) is complied with despite the dissolution.
- (9) If there is any change in a specified officer's contact details, the officer must give a notice of the change to the Commissioner within 1 month after the change.
- (10) For the purposes of subsection (8)(a), a notice given by any specified officer of a dissolved entity is to be regarded as being given by every specified officer of the entity.

- (11) An assessor may give a notice to a reporting financial institution, an entity that was a reporting financial institution or a specified officer requiring the institution, the entity or the officer (as the case may be) to provide information for the purpose of ascertaining whether any information in a return furnished under section 50C(1) by the institution concerned is accurate and complete.
- (12) The reporting financial institution, entity or specified officer must comply with a notice under subsection (11)—
 - (a) within the period specified in the notice; and
 - (b) by the means and in the form (if any) specified in the notice.”.

7. Section 50E amended (application of due diligence and other obligations to non-corporate reporting financial institutions)

Section 50E, after “, sections”—

Add

“50AB,”.

8. Section 50H amended (engagement of service provider)

- (1) Section 50H(1)—

Renumber paragraph (a) as paragraph (ab).

- (2) Before section 50H(1)(ab)—

Add

“(a) section 50AB(1);”.

Section 9

- (3) Section 50H(2), after “section”—

Add

“50AB(1),”.

9. Section 50I amended (Commissioner may designate system or specify requirements for electronic record, etc.)

- (1) Section 50I, heading, after “**may**”—

Add

“**approve password,**”.

- (2) Section 50I—

Repeal subsection (1)

Substitute

“(1) The Commissioner may approve a password and designate any system in respect of any communication with the Commissioner for the purposes of section 50AB, 50C or 50D.”.

- (3) Section 50I(2)—

Repeal paragraph (b)

Substitute

“(b) how a digital signature is to be affixed to, or a password is to be included with—

- (i) a registration under section 50AB(2);
- (ii) a return furnished under section 50C(1);
- (iii) a notification given under section 50D(3) or (6)(a); or

- (iv) a notice given under section 50D(4) or (5);
and”.

10. Section 50IA added

After section 50I—

Add

“50IA. Commissioner’s powers to accept registrations, returns, etc. despite non-compliance with certain requirements under sections 50AB, 50C, 50D and 50I

- (1) The Commissioner may, either generally or in a particular case, accept a registration for the purposes of section 50AB, despite a requirement under section 50AB(2) or 50I(2) not being complied with in relation to the registration.
- (2) The Commissioner may, either generally or in a particular case, accept a return for the purposes of section 50C, despite a requirement under section 50C(4) or 50I(2) not being complied with in relation to the return.
- (3) The Commissioner may, either generally or in a particular case, accept a notification for the purposes of section 50D(3) or (6)(a), or a notice for the purposes of section 50D(4) or (5), despite a requirement under section 50D(7) or 50I(2) not being complied with in relation to the notification or notice.
- (4) The Commissioner may, by a means that the Commissioner considers appropriate, specify the circumstances or conditions in or under which—
 - (a) a registration may be accepted under subsection (1); or

(b) a return, notification or notice may be accepted under subsection (2) or (3).

(5) A specification under subsection (4) is not subsidiary legislation.”.

11. Section 54 amended (liability of executor of deceased taxpayer)

(1) Section 54, proviso, paragraph (a), after “82A”—

Add

“or an assessment to financial penalty under section 82C”.

(2) Section 54, proviso, paragraph (c), after “82A”—

Add

“or an assessment to financial penalty under section 82C”.

12. Section 80B amended (penalties for offences relating to reporting financial institutions)

(1) Section 80B(1)(a)—

Renumber subparagraph (i) as subparagraph (ia).

(2) Before section 80B(1)(a)(ia)—

Add

“(i) section 50AB(1);”.

(3) Section 80B(1)(a)(iii)—

Repeal

everything after “50D(1),”

Substitute

“(3) or (5);”.

(4) After section 80B(1)(a)—

Add

“(ab) fails to comply with section 50D(12);”.

Section 12

- (5) Section 80B(2)—

Repeal

“(1)(a)(i)”

Substitute

“(1)(a)(i), (ia)”.

- (6) Section 80B(3)(a), after “(1)(a)”—

Add

“, (ab)”.

- (7) After section 80B(3)—

Add

“(3A) In the case of an offence under subsection (1)(a)(ia), despite the fine mentioned in subsection (3), a reporting financial institution is liable on conviction to—

(a) a fine at level 3; or

(b) a fine of \$1,000 multiplied by the number of the financial accounts that are the subjects of the offence,

whichever is the higher.”.

- (8) Section 80B(4)—

Renumber paragraph (a) as paragraph (ab).

- (9) Before section 80B(4)(ab)—

Add

“(a) subsection (1)(a)(i) for failing to comply with section 50AB(1);”.

- (10) After section 80B(5)—

Add

- “(5A) A reporting financial institution commits an offence if the institution, without reasonable excuse—
- (a) in purported compliance with section 50C(1), provides any information in a return that is incorrect or incomplete in a material particular; or
 - (b) otherwise provides any information, or makes any statement, that relates to the institution’s obligations under Part 8A and that is incorrect or incomplete in a material particular.
- (5B) A reporting financial institution that commits an offence under subsection (5A) is liable on conviction to—
- (a) a fine at level 3; or
 - (b) a fine of \$1,000 multiplied by the number of the financial accounts that are the subjects of the offence,
- whichever is the higher.”.

(11) Section 80B—

Repeal subsections (6) and (7)

Substitute

- “(6) A reporting financial institution commits an offence if the institution provides, in purported compliance with section 50C(1), any information in a return that is misleading, false or inaccurate in a material particular, or otherwise provides any information, or makes any statement, that relates to the institution’s obligations under Part 8A and that is misleading, false or inaccurate in a material particular, and the institution—

- (a) knows the information or statement is misleading, false or inaccurate in the material particular;
 - (b) is reckless as to whether the information or statement is misleading, false or inaccurate in the material particular; or
 - (c) has no reasonable ground to believe that the information or statement is true or accurate in the material particular.
- (7) A reporting financial institution that commits an offence under subsection (6) is liable on conviction to—
 - (a) a fine at level 4; or
 - (b) a fine of \$5,000 multiplied by the number of the financial accounts that are the subjects of the offence,whichever is the higher.
- (7A) A reporting financial institution commits an offence if the institution, after furnishing a return in purported compliance with section 50C(1), or otherwise providing any information, or making any statement, that relates to the institution's obligations under Part 8A—
 - (a) discovers that the return, information or statement is misleading, false or inaccurate; and
 - (b) without reasonable excuse, fails to notify the Commissioner of the discovery within a reasonable time.
- (7B) A reporting financial institution that commits an offence under subsection (7A) is liable on conviction to—

- (a) a fine at level 3; or
- (b) a fine of \$1,000 multiplied by the number of the financial accounts that are the subjects of the offence,

whichever is the higher.”.

(12) Section 80B(8)—

Repeal

everything after “intent to”

Substitute

“defraud—

- (a) provides any information that is misleading, false or inaccurate in a material particular in a return furnished under section 50C(1); or
- (b) otherwise provides any information, or makes any statement, that relates to the institution’s obligations under Part 8A and that is misleading, false or inaccurate in a material particular.”.

(13) Section 80B(9)(a)—

Repeal subparagraph (i)

Substitute

“(i) the following fine—

- (A) a fine at level 5; or
- (B) a fine of \$10,000 multiplied by the number of the financial accounts that are the subjects of the offence,

whichever is the higher; and”.

(14) Section 80B(9)(b)—

Repeal subparagraph (i)

Substitute

“(i) the following fine—

(A) a fine at level 6; or

(B) a fine of \$20,000 multiplied by the number of the financial accounts that are the subjects of the offence,

whichever is the higher; and”.

13. Section 80C amended (offences of persons employed by reporting financial institutions, etc.)

(1) Section 80C—

Repeal subsection (1)

Substitute

“(1) Subsection (1A) applies to a person who—

(a) is an employee of a reporting financial institution or, as the case requires, an individual employed as an employee in respect of a reporting financial institution that is not a corporation;

(b) is engaged to work for a reporting financial institution otherwise than as a service provider; or

(c) is concerned in the management of a reporting financial institution.

(1A) A person commits an offence if the person, with intent to defraud, causes or allows the institution to—

(a) provide any information that is misleading, false or inaccurate in a material particular in a return furnished under section 50C(1); or

(b) otherwise provide any information, or make any statement, that relates to the institution's obligations under Part 8A and that is misleading, false or inaccurate in a material particular.”.

(2) Section 80C(2)—

Repeal

“subsection (1)”

Substitute

“subsection (1A)”.

14. Sections 80CA and 80CB added

After section 80C—

Add

“80CA. Offences of entities that were reporting financial institutions

- (1) An entity that was a reporting financial institution commits an offence if the entity, without reasonable excuse, fails to comply with section 50D(4) or (6) or a requirement under section 50D(12).
- (2) An entity that commits an offence under subsection (1) for failing to do an act is liable on conviction to a fine at level 3, and the court may order the entity to do the act within the time specified in the order.
- (3) An entity commits an offence if the entity does not comply with an order of the court under subsection (2), and is liable on conviction to a fine at level 4.

80CB. Offences of persons who were specified officers immediately before dissolution of entity that was reporting financial institution within 6 years before dissolution

- (1) A person who is a specified officer within the meaning of section 50D(8) commits an offence if the person, without reasonable excuse, fails to comply with section 50D(8) or (9) or a requirement under section 50D(12).
- (2) A person who commits an offence under subsection (1) for failing to do an act is liable on conviction to a fine at level 3, and the court may order the person to do the act within the time specified in the order.
- (3) A person commits an offence if the person does not comply with an order of the court under subsection (2), and is liable on conviction to a fine at level 4.”.

15. Section 80D amended (offences of service provider)

- (1) After section 80D(2)—

Add

“(2A) A person who is a service provider engaged to carry out a reporting financial institution’s obligations under section 50AB(1) commits an offence if the person, without reasonable excuse, fails to cause the institution to be registered as required by that section.”.

- (2) Section 80D—

Repeal subsection (4)

Substitute

- “(4) A person who is a service provider engaged to carry out a reporting financial institution’s obligations under section 50AB(1), 50B(1) or (2) or 50C(1) commits an offence if—
- (a) for an obligation under section 50C(1)—the person causes or allows the institution to provide, or, in purported compliance with section 50C(1), provides any information in a return that is misleading, false or inaccurate in a material particular, and the person—
 - (i) knows the information is misleading, false or inaccurate in the material particular;
 - (ii) is reckless as to whether the information is misleading, false or inaccurate in the material particular; or
 - (iii) has no reasonable ground to believe that the information is true or accurate in the material particular;
 - (b) the person otherwise provides any information, or makes any statement, that relates to the institution’s obligations under Part 8A on behalf of the institution not in accordance with the instruction given by the institution to the person (or causes or allows the institution to otherwise provide or make such information or statement) where the information or statement is misleading, false or inaccurate in a material particular, and the person—
 - (i) knows the information or statement is misleading, false or inaccurate in the material particular;

- (ii) is reckless as to whether the information or statement is misleading, false or inaccurate in the material particular; or
 - (iii) has no reasonable ground to believe that the information or statement is true or accurate in the material particular; or
 - (c) the person, after furnishing a return in purported compliance with section 50C(1), or otherwise providing any information, or making any statement, that relates to the institution's obligations under Part 8A—
 - (i) discovers that the return, information or statement is misleading, false or inaccurate; and
 - (ii) without reasonable excuse, fails to notify the Commissioner of the discovery within a reasonable time.”.
- (3) Section 80D(6), after “(2),”—
Add
“(2A),”.
- (4) Section 80D(7), after “obligations under section”—
Add
“50AB(1),”.
- (5) Section 80D(7)—
Repeal
everything after “or allows”
Substitute
“the institution to—

- (a) provide any information that is misleading, false or inaccurate in a material particular in a return furnished under section 50C(1); or
- (b) otherwise provide any information, or make any statement, that relates to the institution's obligations under Part 8A and that is misleading, false or inaccurate in a material particular.”.

(6) Section 80D(9)—

Repeal

“(1), (2)” (wherever appearing)

Substitute

“(1), (2), (2A)”.

16. Section 80E amended (offences of directors, etc. of corporations)

(1) Section 80E(a)(i) and (ii)—

Repeal

“(6)”

Substitute

“(5A), (6), (7A)”.

(2) Section 80E(a)(iii), after “(2),”—

Add

“(2A),”.

17. Section 80F amended (miscellaneous provisions for certain offences relating to reporting financial institutions, etc.)

Section 80F(1) and (2), after “80C,”—

Add

“80CA, 80CB,”.

18. Sections 82C and 82D added

After section 82B—

Add

“82C. Financial penalty on reporting financial institutions in lieu of prosecution in certain cases

(1) If—

- (a) a reporting financial institution, without reasonable excuse—
 - (i) fails to comply with section 50AB(1);
 - (ii) fails to comply with section 50B(1) or (2);
 - (iii) fails to comply with section 50C(1);
 - (iv) provides, in purported compliance with section 50C(1), any information in a return that is incorrect or incomplete in a material particular;
- (v) otherwise provides any information, or makes any statement, that relates to the institution’s obligations under Part 8A and that is incorrect or incomplete in a material particular; or
- (vi) fails to notify the Commissioner of discovery of misleading, false or inaccurate information in a return furnished under section 50C(1), or in any information otherwise provided, or any statement made, that relates to the institution’s obligations under Part 8A, within a reasonable time; and

- (b) no prosecution for an offence under section 80B has been instituted in respect of the same facts in relation to paragraph (a)(i), (ii), (iii), (iv), (v) or (vi), as the case may be,

the institution is liable to be subjected to a financial penalty assessed under this section not exceeding the amount that the institution would have been liable to pay as a fine on conviction under section 80B.

- (2) For the purposes of subsection (1)(a), engaging a service provider under section 50H does not in itself constitute a reasonable excuse.
- (3) An assessment of financial penalty may be made only by the Commissioner personally or a deputy commissioner personally (each is referred to as the *specified authority*).
- (4) Before making an assessment of financial penalty for the purposes of subsection (1), the specified authority must—
 - (a) give notice to the reporting financial institution of the specified authority's intention to assess financial penalty, and the notice must—
 - (i) inform the institution of the alleged failure to comply with section 50AB(1), 50B(1) or (2) or 50C(1) (as may be appropriate), the allegation that the return mentioned in subsection (1)(a)(iv), or the information or statement mentioned in subsection (1)(a)(v), is incorrect or incomplete in a material particular, or the alleged failure to make the notification mentioned in subsection (1)(a)(vi) within a reasonable time;

- (ii) state that, with regard to the proposed assessment of financial penalty in respect of the institution, the institution may submit a written representation and evidence to the specified authority; and
 - (iii) specify the date, which must not be within 21 days after the notice is given, by which the representation and evidence that the institution wishes to submit under subparagraph (ii) must be received by the specified authority; and
- (b) consider and take into account any representation and evidence submitted by the institution under paragraph (a)(ii).
- (5) Despite subsection (4), if a specified authority intends to make an assessment of financial penalty in respect of a reporting financial institution that is not a corporation, and the authority is of the opinion that any person who acts for the institution to maintain financial accounts (*specified person*) is about to leave Hong Kong, the authority may make an assessment in respect of the specified person without giving a notice under subsection (4)(a).
- (6) Notice of intention to make an assessment of financial penalty and notice of an assessment of financial penalty must be given in the same manner as is prescribed in section 58(2) for a notice of assessment under section 62.
- (7) If a reporting financial institution that is not a corporation is liable to have an assessment of financial penalty made in respect of it and the specified person of the institution has died, the assessment may be made in respect of that person's

executor, and the financial penalty is to be recovered as a debt due from and payable out of that person's estate.

- (8) In relation to a reporting financial institution that is not a corporation, this section applies to a person who acts for the institution to maintain financial accounts as if the references to a reporting financial institution were references to that person.
- (9) A reporting financial institution in respect of which an assessment is made under this section for an act or omission is not liable to be charged with an offence under section 80B for the same act or omission.
- (10) For payment, recovery and repayment of a financial penalty, section 54 and Parts 12 and 13 have effect subject to subsection (11) as if the financial penalty were a tax.
- (11) For the purposes of subsection (10)—
 - (a) section 54 applies in relation to a financial penalty as if a reference to “year of assessment” in that section were a reference to “calendar year”;
 - (b) sections 77A and 79(3), (3A), (4) and (5) do not apply in relation to a financial penalty; and
 - (c) section 79(1) applies in relation to a financial penalty as if the reference to “year of assessment” in that section were a reference to “calendar year”.

82D. Appeals against assessment of financial penalty to Board of Review

- (1) A reporting financial institution that has an assessment of financial penalty made in respect of it under section 82C may within—
 - (a) 1 month after the notice of assessment is given to the institution; or
 - (b) the period as extended under subsection (3), lodge, either by itself or by an authorized representative, an appeal against the assessment by giving a notice of appeal to the Board of Review in accordance with subsection (2).
- (2) A notice of appeal must be given in writing to the clerk to the Board and be accompanied by—
 - (a) a copy of the notice of assessment;
 - (b) a statement setting out the grounds of appeal;
 - (c) a copy of the notice of intention to assess financial penalty given under section 82C(4); and
 - (d) a copy of any written representation and evidence (if any) submitted under section 82C(4) in respect of the assessment.
- (3) If the Board is satisfied that an appellant was prevented by illness or absence from Hong Kong or other reasonable cause from giving a notice of appeal in accordance with subsection (1)(a), the Board may extend for such period as it thinks fit the time within which a notice of appeal may be given under subsection (1).
- (4) On an appeal against an assessment of financial penalty, it is open to the appellant to argue that—

- (a) the appellant is not liable to financial penalty;
 - (b) the amount of financial penalty assessed in respect of the appellant exceeds the amount for which the appellant would be liable under section 82C;
 - (c) the amount of financial penalty, although not in excess of that for which the appellant would be liable under section 82C, is excessive in the circumstances of the case.
- (5) Sections 66(2) and (3), 68, 68AA, 68AAB, 68A, 69 and 70, to the extent that they are applicable, have effect in relation to an appeal under this section as if the appeal were against an assessment of tax other than financial penalty.
- (6) For the purposes of subsection (5)—
 - (a) section 68(1D) applies in relation to a financial penalty as if the reference to “year of assessment” in that section were a reference to “calendar year”; and
 - (b) section 70 applies in relation to a financial penalty as if the reference to “year of assessment” in that section were a reference to “calendar year”.