



HONG KONG TAX ALERT

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Common Reporting Standard: MPF and ORSO schemes to be removed from the list of non-reporting financial institutions in Hong Kong

Summary

- Hong Kong is expected to amend the CRS legislation and remove MPF and ORSO schemes from the definition of non-reporting financial institutions.
- MPF and ORSO trustees and administrators should plan ahead for CRS due diligence and reporting requirements.

In December 2017, the OECD conducted an assessment of non-reporting financial institutions ("NRFIs") in Hong Kong for CRS purposes. In particular, one of its conclusions was that MPF schemes, ORSO registered schemes, ORSO pooling agreements and approved pooled investment funds should not be treated as NRFIs.

To comply with the OECD's requirements, the Hong Kong Government is expected to amend the CRS legislation to remove these schemes from the list of NRFIs. As a result, such schemes will likely become reporting financial institutions ("Reporting FIs") and subject to automatic exchange of information ("AEOI"). MPF schemes and ORSO registered schemes should therefore start conducting due diligence procedures and collecting relevant member information for AEOI starting from 1 January 2020.

MPF and ORSO trustees and administrators should assess the potential implications of the AEOI regime on their schemes. This includes planning for potential system enhancements and operational procedures required for compliance with the CRS due diligence, reporting and other obligations. Trustees and administrators should also communicate with their scheme members about the potential impact to them (if any) and advise on future account opening processes.

Our previous tax alerts on the CRS developments in Hong Kong are accessible below:

- 2018

[Issue 15: CRS: Arrangement on automatic exchange of financial account information in tax matters between Mainland China and Hong Kong now in force](#)

- 2017

[Issue 18: CRS: Proposed Multilateral Approach for Implementing AEOI](#)

[Issue 12: CRS: Bill passed for the Expansion of the List of Reportable Jurisdictions](#)

[Issue 6: CRS: Proposed Expansion of the List of Reportable Jurisdictions](#)

- 2016

[Issue 11: CRS: Hong Kong guidance published](#)

[Issue 6: CRS/AEOI Hong Kong legislation gazetted](#)

[Issue 1: CRS/ AEOI: Hong Kong bill gazetted](#)

- 2015

[Issue 10: CRS/AEOI: Hong Kong responds to consultation](#)

[Issue 7: Hong Kong launches the Consultation on Automatic Exchange of Information](#)

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