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24th January, 2014

Miss Shirley Kwan
Principal Assistant Secretary for Financial Services
and the Treasury (Treasury)(R)
Government of the Hong Kong SAR
Financial Services and the Treasury Bureau
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Shirley,

Hong Kong's Programme for Comprehensive Avoidance of Double Taxation Agreements ("CDTAs") and Tax Information Exchange Agreements ("TIEAs")

Thank you for your letter of 8th January, 2014 with an update on the latest situation with exchange of information arrangements in Hong Kong and the invitation for recommendations on prospective jurisdictions that should be considered as part of Hong Kong's CDTA/TIEA network.

The Chamber remains unconvinced that the pursuit of TIEAs is in the interest of the SAR given their very narrow focus of gaining access to taxpayer information rather than the broader benefits of promoting cross-border trade and investment, which CDTAs bring. As pointed out in our response to the Government's 2012 consultation on TIEA-enabling legislation, we do not think that entering into TIEAs is strategically useful for the conclusion of CDTAs at some later stage. Rather, such an approach would be tantamount to giving away the farm. We appreciate that the HKSAR Government has been doing its utmost to persuade other jurisdictions in giving priority to CDTA, which also in itself offers the convenience/advantage of exchange of information, and would strongly urge the Administration to not deviate from such an approach.

Consistent with the views set out in the foregoing, and to further enhance Hong Kong's business environment and facilitate trade and investment flows, we have attached a wish-list of jurisdictions, which we recommend the Government to approach on the negotiation of CDTAs.

Yours sincerely



Shirley Yuen
CEO

encl.

Proposed Targets for CDTA Discussions

Jurisdictions Priority Reasons

Australia	High	Important Trading Partner
Brazil	High	Completing the BRIC Circle / Priority to CDTA
Cambodia	High	Emerging Market
Denmark	High	Priority to CDTA
Faroe Islands	High	Priority to CDTA
Germany	High	Important Trading Partner
Greenland	High	Priority to CDTA
Iceland	High	Priority to CDTA
Myanmar	High	Emerging Market
Singapore	High	Important Trading Partner
Sweden	High	Priority to CDTA
Taiwan	High	Important Trading Partner
USA	High	Important Trading Partner / Priority to CDTA

Argentina	Medium	Emerging Market / Priority to CDTA
Laos	Medium	Emerging Market
The Philippines	Medium	Priority to CDTA
Poland	Medium	Priority to CDTA
Sri Lanka	Medium	Emerging Market
Ukraine	Medium	Priority to CDTA

Egypt	Low	Emerging Market
Kenya	Low	Emerging Market