

15 May 2014

Circular to all Licensed Corporations and Registered Institutions concerning the U.S. Foreign Account Tax Compliance Act

This Circular is issued further to the Commission's Circular of [8 October 2013](#) for the purpose of updating licensed corporations and registered institutions concerning progress in the discussions between the governments of the Hong Kong SAR and the United States of America in relation to the conclusion of an inter-governmental agreement between them (IAG), which is intended to facilitate compliance with the Foreign Account Tax Compliance Act (FATCA) by financial institutions in Hong Kong.

On 9 May 2014, the Hong Kong SAR Government issued a press release advising that Hong Kong and the United States have substantially concluded discussions on the IGA and that it is expected to be signed later this year. The Hong Kong SAR Government has also published a set of frequently asked questions (FAQs) providing background information regarding the IGA. The press release and the FAQs are available through the following links:

Press release: <http://www.info.gov.hk/gia/general/201405/09/P201405090723.htm>

FAQs: http://www.fstb.gov.hk/fsb/info/doc/fatca-faq_e.pdf

The Hong Kong SAR Government has reminded financial institutions in Hong Kong to assess the implications of FATCA for their operations and clientele. Details of the obligations imposed on foreign financial institutions under FATCA are available on the U.S. Internal Revenue Service website (<http://www.irs.gov>).

Licensed corporations and registered institutions are strongly encouraged to consider whether they are affected by the obligations imposed on foreign financial institutions under FATCA and to take appropriate action. If licensed corporations and registered institutions are in doubt concerning their obligations under FATCA, they are encouraged to seek appropriate legal or other advice.

**Licensing Department
Intermediaries Division
Securities and Futures Commission**