

**AGREEMENT BETWEEN THE COMPETENT AUTHORITIES OF BELGIUM AND THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF  
CHINA ON THE AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION TO  
IMPROVE INTERNATIONAL TAX COMPLIANCE**

Whereas, on the one hand, the Belgian Federal Government, the Government of Flanders, the Government of the Walloon Region and the Government of the Brussels-Capital Region , and on the other hand, the Government of the Hong Kong Special Administrative region of the People's Republic of China have a longstanding and close relationship with respect to mutual assistance in tax matters and desire to improve international tax compliance by further building on that relationship;

Whereas, the laws of their respective jurisdictions require or are expected to require financial institutions to report information regarding certain accounts and follow related due diligence procedures, consistent with the scope of exchange contemplated by Section 2 of this Agreement and the reporting and due diligence procedures contained in the Common Reporting Standard;

Whereas, Article [25 of the Agreement between the Hong Kong Special Administrative Region of the People's Republic of China and the Kingdom of Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, signed at Hong Kong on 10 december 2003, and the Protocol thereto, as modified by the second Protocol signed at ....on .... (the "Convention") Belgium authorises the exchange of information for tax purposes, including the exchange of information on an automatic basis, and allows the competent authorities of Belgium and Hong Kong (the "Competent Authorities") to agree the scope and modalities of such automatic exchanges;

Whereas, Belgium and Hong-Kong have in place (i) appropriate safeguards to ensure that the information received pursuant to this Agreement remains confidential and is used solely for the purposes set out in the Convention, and (ii) the infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about exchanges or requests for exchanges and to administer the provisions of Section 4 of this Agreement);

Whereas, the Competent Authorities desire to conclude an agreement to improve international tax compliance based on reciprocal automatic exchange pursuant to the Convention, and subject to the confidentiality and other protections provided for therein, including the provisions limiting the use of the information exchanged under the Convention;

Now, therefore, the Competent Authorities have agreed as follows:

**SECTION 1**

*Definitions*

1. For the purposes of this agreement ("Agreement"), the following terms have the following meanings:

1. the term “**Belgium**” means the Kingdom of Belgium; used in a geographical sense, it means the territory of the Kingdom of Belgium, including the territorial sea and any other area in the sea and in the air within which the Kingdom of Belgium, in accordance with international law, exercises sovereign rights or its jurisdiction.
2. the term “Hong Kong Special Administrative Region (Hong-Kong)“**[Jurisdiction B]**” means the Hong-Kong Special Administrative Region of the People’s Republic of China; used in a geographical sense, it means the land and sea comprised within the boundary of the Hong Kong Special Administrative Region, including Hong Kong Island, Kowlow, the New territories and the waters of Hong Kong.
3. the term “**Competent Authority**” means:
  - i) in the case of Belgium as the case may be, the Minister of Finance of the Federal Government and/or of the Government of a Region, or his authorized representative;” ; and
  - ii) in the case of Hong Kong the Commissioner of Inland Revenue or his authorised representative or any person or body authorised representative or any person or body authorised to perform any functions at present exercisable by the Commissioner or similar functions, [...].
4. the term “**Belgian Financial Institution**” means (i) any Financial Institution that is resident in Belgium, but excludes any branch of that Financial Institution that is located outside Belgium, and (ii) any branch of a Financial Institution that is not resident in Belgium, if that branch is located in Belgium.
5. the term “**Hong Kong Financial Institution**” means (i) any Financial Institution that is resident in **Hong Kong** , but excludes any branch of that Financial Institution that is located outside **Hong Kong** , and (ii) any branch of a Financial Institution that is not resident in **Hong Kong** , if that branch is located in **Hong Kong** .
6. the term “**Reporting Financial Institution**” means any Belgian Financial Institution or Hong Kong Financial Institution, as the context requires, that is not a Non-Reporting Financial Institution.
7. the term “**Reportable Account**” means a Belgian Reportable Account or a Hong Kong Reportable Account, as the context requires, provided it has been identified as such pursuant to due diligence procedures, consistent with the Common Reporting Standard, in place in Belgium or Hong Kong.
8. the term “**Belgian Reportable Account**” means a Financial Account that is maintained by a Hong Kong Reporting Financial Institution and held by one or more Belgian Persons that are Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Belgian Reportable Person.
9. the term “**Hong Kong Reportable Account**” means a Financial Account that is maintained by a Belgian Reporting Financial Institution and held by one or more Hong Kong Persons that are Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Hong Kong Reportable Person.
10. the term “**Belgian Person**” means an individual or Entity that is identified by a Hong Kong Reporting Financial Institution as resident in Belgium pursuant to due diligence procedures

consistent with the Common Reporting Standard, or an estate of a decedent that was a resident of Belgium.

11. the term “**Hong Kong Person**” means an individual or Entity that is identified by a Belgian Reporting Financial Institution as resident in Hong Kong pursuant to due diligence procedures consistent with the Common Reporting Standard, or an estate of a decedent that was a resident of Hong Kong.
12. the term “**TIN**” means a Belgian TIN or a Hong Kong TIN, as the context requires.
13. the term “**Belgian TIN**” means a Belgian Taxpayer identifying number. It corresponds to the identification number of the National Register in the case of an individual, or the Business Registration number in the case of an entity.
14. the term “**Hong Kong TIN**” means The Hong Kong Identity Card number in the case of an individual, or the Business Registration number in the case of an entity.

2. Any term not otherwise defined in this Agreement will have the meaning that it has at that time under the law of the jurisdiction applying the Agreement, such meaning being consistent with the meaning set forth in the Common Reporting Standard. Any term not otherwise defined in this Agreement or in the Common Reporting Standard will, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the jurisdiction applying this Agreement, any meaning under the applicable tax laws of that jurisdiction prevailing over a meaning given to the term under other laws of that jurisdiction.

## SECTION 2

### *Exchange of Information with Respect to Reportable Accounts*

1. Pursuant to the provisions of Article 25 of the Convention and subject to the applicable reporting and due diligence rules consistent with the Common Reporting Standard, each Competent Authority will annually exchange with the other Competent Authority on an automatic basis the information obtained pursuant to such rules and specified in paragraph 2.
2. The information to be exchanged is, in the case of Belgium with respect to each Hong Kong Reportable Account, and in the case of Hong Kong with respect to each Belgian Reportable Account:
  - a) the name, address, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence procedures consistent with the Common Reporting Standard, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, and TIN(s) of the Entity and the name, address, TIN(s) and date and place of birth of each Reportable Person;
  - b) the account number (or functional equivalent in the absence of an account number);
  - c) the name and identifying number (if any) of the Reporting Financial Institution;
  - d) the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

- e) in the case of any Custodial Account:
  - (1) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and
  - (2) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;
- f) in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
- g) in the case of any account not described in subparagraph 2(e) or (f), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

### **SECTION 3**

#### ***Time and Manner of Exchange of Information***

1. For the purposes of the exchange of information in Section 2, the amount and characterisation of payments made with respect to a Reportable Account may be determined in accordance with the principles of the tax laws of the jurisdiction exchanging the information.
2. For the purposes of the exchange of information in Section 2, the information exchanged will identify the currency in which each relevant amount is denominated.
3. With respect to paragraph 2 of Section 2, information is to be first exchanged with respect to the period commencing on the earlier of: (i) 1 July 2017, or (ii) the date stipulated in the domestic law of Hong Kong Special Administrative Region (Hong Kong) for this purpose, and ending on 31 December 2017, and then with respect to all subsequent calendar years. The information will be exchanged within nine months after the end of the reporting period to which the information relates. Notwithstanding the foregoing sentence information is only required to be exchanged with respect to a calendar year if both jurisdictions have in effect legislation that requires reporting with respect to such calendar year that is consistent with the scope of exchange provided for in Section 2 and the reporting and due diligence procedures contained in the Common Reporting Standard.
4. Notwithstanding paragraph 3, the information to be exchanged with respect to [xxxx] is the information described in paragraph 2 of Section 2, except for gross proceeds described in subparagraph 2(e)(2) of Section 2.
5. The Competent Authorities will automatically exchange the information described in Section 2 in a common reporting standard schema in Extensible Markup Language.
6. The Competent Authorities will agree on one or more methods for data transmission including encryption standards.

## **SECTION 4**

### ***Collaboration on Compliance and Enforcement***

A Competent Authority will notify the other Competent Authority when the first-mentioned Competent Authority has reason to believe that an error may have led to incorrect or incomplete information reporting or there is non-compliance by a Reporting Financial Institution with the applicable reporting requirements and due diligence procedures consistent with the Common Reporting Standard. The notified Competent Authority will take all appropriate measures available under its domestic law to address the errors or non-compliance described in the notice.

## **SECTION 5**

### ***Confidentiality and Data Safeguards***

1. All information exchanged is subject to the confidentiality rules and other safeguards provided for in the Convention, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards required under the domestic law of the supplying Competent Authority, as specified in the notification pursuant to paragraph 1 (b) of Section 7.

2. Each Competent Authority will notify the other Competent Authority immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed.

## **SECTION 6**

### ***Consultations and Amendments***

1. If any difficulties in the implementation or interpretation of this Agreement arise, either Competent Authority may request consultations to develop appropriate measures to ensure that this Agreement is fulfilled.

2. This Agreement may be amended by written agreement of the Competent Authorities. Unless otherwise agreed upon, such an amendment is effective on the first day of the month following the expiration of a period of one month after the date of the later of the signatures of such written agreement or the date of the later of the notifications exchanged for purposes of such written agreement.

## **SECTION 7**

### ***Term of Agreement***

1. This Agreement will come into effect on the date of the later of the notifications provided by each Competent Authority confirming

- a) that its jurisdiction has the necessary laws in place to implement the Agreement and specifying the relevant effective dates with respect to Preexisting Accounts, New Accounts, and the application or completion of the reporting and due diligence procedures;
- b) the safeguards, if any, for the protection of personal data required under the domestic law of the supplying Competent Authority and to be complied with by the receiving Competent Authority;

- c) that it has in place adequate measures to ensure the required confidentiality and data safeguards are met and attaching the completed confidentiality and data safeguard questionnaire; and
- d) that the jurisdiction is in a position to comply with the data protection safeguards specified by the other Competent Authority in its notification pursuant to paragraph 1(b) of Section 7.

Each Competent Authority must notify the other Competent Authority promptly, of any subsequent change to be made to the above-mentioned notifications.

2. A Competent Authority may suspend the exchange of information under this Agreement by giving notice in writing to the other Competent Authority that it has determined that there is or has been significant non-compliance by the other Competent Authority with this Agreement. Such suspension will have immediate effect. For the purposes of this paragraph, significant non-compliance includes, but is not limited to, non-compliance with the confidentiality and data safeguard provisions of this Agreement and the Convention, a failure by the Competent Authority to provide timely or adequate information as required under this Agreement or defining the status of Entities or accounts as Non-Reporting Financial Institutions and Excluded Accounts in a manner that frustrates the purposes of the Common Reporting Standard.

3. Either Competent Authority may terminate this Agreement by giving notice of termination in writing to the other Competent Authority. Such termination will become effective on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination. In the event of termination, all information previously received under this Agreement will remain confidential and subject to the terms of the Convention.

Signed in duplicate in [...] on [...].

Competent Authority for Belgium

Competent Authority for Hong Kong

For the Belgian Federal Government:

For the Government of Flanders:

For the Government of the Walloon Region:

For the Government of the Brussels-Capital Region