

Press release

Hong Kong signs with Luxembourg a Protocol to the comprehensive agreement on avoidance of double taxation

Thursday, November 11, 2010

The Secretary for Financial Services and the Treasury, Professor K C Chan, on behalf of the HKSAR Government, today (November 11) signed the Protocol to the Agreement between the Hong Kong Special Administrative Region of the People's Republic of China and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital in Hong Kong. The Luxembourg Minister of Finance, Mr Luc Frieden, signed on behalf of his Government.

The Protocol upgrades the Exchange of Information Article in the Agreement to the 2004 version of the Organisation for Economic Co-operation and Development. The Article requires the contracting parties, upon receiving a request for information, to exchange information even when there is no domestic tax interest involved. The Protocol will come into force after the completion of ratification procedures and notification by both sides. In the case of Hong Kong, an order is required to be made by the Chief Executive in Council under the Inland Revenue Ordinance. The order is subject to negative vetting by the Legislative Council.

Details of the Protocol to the Hong Kong/Luxembourg CDTA (comprehensive agreement for the avoidance of double taxation) can be found on the Inland Revenue Department website at (www.ird.gov.hk/eng/pdf/Protocol_Luxembourg_HongKong.pdf).

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