

Hong Kong and Brunei
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation is avoided in that any Hong Kong income tax paid by Brunei residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Brunei;
- the withholding tax on interest derived in Brunei will be reduced from the current rate of 15% to 10% in general and further down to 5% if the recipient is a bank or financial institution. The withholding tax on interest will be exempted if the recipient is the HKSAR Government, the Hong Kong Monetary Authority or a recognised institution;
- the withholding tax on royalties derived in Brunei will be reduced from 10% to 5%;
- profits from international shipping transport earned by Hong Kong residents that arise in Brunei will enjoy full tax exemption; and
- Hong Kong airlines operating flights to Brunei will be taxed at the much lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 23.5% in Brunei, which they are subject to currently.

Hong Kong and the Netherlands
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation is avoided in that any Hong Kong income tax paid by Dutch residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in the Netherlands;
- the withholding tax on dividend derived in the Netherlands will be reduced from the current rate of 15% to 10%. If the recipient is the HKSAR Government, a recognised government institution or a qualifying pension fund; or if the recipient is a qualifying entity, headquarters company, bank or insurance company, holding at least 10% of the share capital of the paying company, the withholding tax rate will be further reduced to 0%; and
- upon its entry into force, the Hong Kong/Netherlands CDTA will supersede the existing limited double taxation avoidance agreements for airline income and for shipping income respectively providing the same level of benefits.

Hong Kong and Indonesia
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation is avoided in that any Hong Kong income tax paid by Indonesian residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Indonesia;
- the withholding tax on dividend derived in Indonesia will be reduced from the current rate of 20% to 10%. If the recipient is a company holding at least 25% of the share capital of the paying company, the withholding tax rate will be further reduced to 5%;
- the withholding tax on interest derived in Indonesia will be reduced from the current rate of 20% to 10%. The withholding tax on interest will be exempted if the recipient is the HKSAR Government, the Hong Kong Monetary Authority or a recognised institution.
- the withholding tax on royalties derived in Indonesia will be reduced from 20% to 5%;
- profits from international shipping transport earned by Hong Kong residents that arise in Indonesia will enjoy 50% reduction in tax; and
- Hong Kong airlines operating flights to Indonesia will be taxed at the much lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 25% in Indonesia, which they are subject to currently.