

Press release

Orders to implement three avoidance of double taxation agreements gazetted

Friday, July 2, 2010

Three orders made by the Chief Executive in Council under the Inland Revenue Ordinance to implement agreements with Brunei Darussalam, the Kingdom of the Netherlands and the Republic of Indonesia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income were gazetted today (July 2).

The agreements are respectively the sixth, seventh and eighth comprehensive double taxation agreements (CDTA) Hong Kong has signed with its trading partners, coming after those with Belgium, Thailand, the Mainland of China, Luxembourg and Vietnam.

"The agreements ensure that investors will not have to pay tax twice on a single source of income," a spokesman for the Government said.

"In simple terms, the agreements will bring tax savings and a higher degree of certainty on taxation rights for investors from both places when they engage in bilateral trade and investment activities."

Highlights of the CDTAs can be found at the Annex.

The orders will be tabled in the Legislative Council on July 7 for negative vetting. The agreements will only take effect after both sides have completed their ratification procedures.

The Financial Secretary, Mr John C Tsang, signed on March 20 the Hong Kong/Brunei CDTA with Brunei's Second Minister of Finance, Pehin Dato Abdul Rahman Ibrahim, in Brunei; and on March 23 the Hong Kong/Indonesia CDTA with the Indonesian Minister of Finance, Sri Mulyani Indrawati, in Jakarta. The Hong Kong/Netherlands CDTA was signed by the Secretary for Financial Services and the Treasury, Professor K C Chan, and the Dutch Minister of Finance, Mr J C de Jager, on March 22 in Hong Kong.

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