

Press release

Five orders on avoidance of double taxation agreements gazetted

Friday, October 15, 2010

Five orders made by the Chief Executive in Council under the Inland Revenue Ordinance were gazetted today (October 15). The orders implement the agreements with the Republic of Hungary, the Republic of Austria, the United Kingdom of Great Britain & Northern Ireland (UK), Ireland, and the Third Protocol to the Arrangement with the Mainland of China for the avoidance of double taxation and the prevention of fiscal evasion.

"The Comprehensive Agreements for Avoidance of Double Taxation (CDTAs) 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 CDTAs will bring tax savings and a higher degree of certainty on taxation rights for investors from the respective places when they engage in trade and investment activities with Hong Kong."

Highlights of the four CDTAs can be found at the Annex. The Third Protocol to the Arrangement with the Mainland of China upgrades the Exchange of Information Article in the Arrangement to the 2004 version of the Organisation for Economic Co-operation and Development.

The orders will be tabled in the Legislative Council on October 20 for negative vetting. The CDTAs and the Third Protocol will only take effect after both Hong Kong and the treaty partners have completed their ratification procedures.

Hong Kong signed the CDTAs with Hungary on May 12, Austria on May 25, the UK on June 21, Ireland on June 22, and the Third Protocol with the Mainland of China on May 27.

Ends