

Press releases

Five orders on avoidance of double taxation agreements gazetted

Friday, May 13, 2011

Five orders made by the Chief Executive in Council under the Inland Revenue Ordinance were gazetted today (May 13). The orders implement the agreements with Liechtenstein, France, Japan and New Zealand, and the Protocol to the Agreement with Luxembourg 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 Government spokesman 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 Protocol to the Agreement with Luxembourg upgrades the Exchange of Information Article in the Agreement to the 2004 version of the Organisation for Economic Co-operation and Development.

The orders will be tabled at the Legislative Council on May 18 for negative vetting. The CDTAs and the Protocol will only take effect after both Hong Kong and the treaty partners have completed their ratification procedures.

Hong Kong signed the CDTAs with Liechtenstein on August 12, 2010, France on October 21, 2010, Japan on November 9, 2010 and New Zealand on December 1, 2010, and the Protocol with Luxembourg on November 11, 2010.

Ends