

Press Release

Two orders on avoidance of double taxation agreements gazette

Friday, October 17, 2014

Two orders made by the Chief Executive in Council under the Inland Revenue Ordinance were gazetted today (October 17). The orders implement the Comprehensive Agreement for the Avoidance of Double Taxation (CDTA) with Korea and the second protocol to the CDTA with Vietnam.

"The CDTA ensures that investors will not have to pay tax twice on a single source of income, while the second protocol to the Vietnamese CDTA enables the exchange of information arrangement under the Vietnamese CDTA to be compliant with the Organisation for Economic Co-operation and Development standard on transparency and exchange of information," a Government spokesman said.

"In simple terms, the CDTAs will bring tax savings and a higher degree of certainty on taxation liabilities for investors from the respective places when they engage in trade and investment activities with Hong Kong and vice versa."

Details of the CDTA with Korea and the second protocol to the Vietnamese CDTA can be found in the Annex.

The orders will be tabled at the Legislative Council on October 22 for negative vetting. The CDTA and the second protocol will only take effect after both Hong Kong and the treaty partners have completed their ratification procedures.

Hong Kong signed the CDTA with Korea in July 2014 and the second protocol to the CDTA with Vietnam in January 2014.

Ends