

Press Release

Three orders on avoidance of double taxation agreements gazetted

Friday, May 15, 2015

Three orders made by the Chief Executive in Council under the Inland Revenue Ordinance were gazetted today (May 15). The orders implement the Comprehensive Agreements for the Avoidance of Double Taxation (CDTAs) with South Africa and the United Arab Emirates (UAE) and the notes exchanged between Hong Kong and Japan regarding the exchange of information (EOI) article of the CDTA with Japan.

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

"As regards the exchange of notes with Japan, it will expand the coverage of tax types under the EoI arrangement of the existing CDTA Agreement with Japan, so as to fulfil our international obligation to meet global standards for enhancing tax transparency."

Highlights of the CDTAs with South Africa and the UAE, and the notes exchanged with Japan, can be found in the Annex.

The orders will be tabled at the Legislative Council on May 20 for negative vetting. The CDTAs and notes exchanged will enter into force after both Hong Kong and the treaty partners have completed their ratification procedures.

Hong Kong signed the CDTAs with South Africa and the UAE in October 2014 and December 2014 respectively, and exchanged notes with Japan in December 2014.

Ends