Annex

Hong Kong and Latvia
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation will be avoided in that any Latvian tax paid by Hong Kong companies will be allowed as a credit against the tax payable in Hong Kong on the same profits subject to the provisions of the tax laws of Hong Kong;

- Latvia's withholding tax rate on royalties (currently at various rates and can be as high as 23 per cent in some cases) will be reduced to zero per cent for companies and capped at 3 per cent in all other cases;

- Latvia's withholding tax rate on dividends and interest (currently at various rates and can be as high as 30 per cent in some cases) will also be reduced to zero per cent for companies and capped at 10 per cent in all other cases;

- Hong Kong air carriers operating flights to Latvia will be taxed at Hong Kong's corporation tax rate; and

- profits from international shipping transport earned by Hong Kong residents that arise in Latvia, which are currently subject to tax there, will not be taxed in Latvia.

Hong Kong and Belarus
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation will be avoided in that any Belarusian tax paid by Hong Kong companies will be allowed as a credit against the tax payable in Hong Kong on the same profits subject to the provisions of the tax laws of Hong Kong;

- Belarus' withholding tax rate for Hong Kong residents on royalties (currently at 15 per cent for companies and 13 per cent for individuals) will be capped at 5 per cent and it will be further reduced to 3 per cent if the royalties are for the use of, or the right to use, aircraft;

- Belarus' withholding tax rate for Hong Kong residents on dividends (currently at 12 per cent for companies and 13 per cent for individuals) and interest (currently at 10 per cent for companies and 13 per cent for individuals) will be capped at 5 per cent;

- Hong Kong air carriers operating flights to Belarus will be taxed at Hong Kong's corporation tax rate; and

- Profits from international shipping transport earned by Hong Kong residents that arise in Belarus, which are currently subject to tax there, will no longer be taxed in Belarus.

Hong Kong and Pakistan
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation will be avoided in that any Pakistani tax paid by Hong Kong companies will be allowed as a credit against the tax payable in Hong Kong on the same profits subject to the provisions of the tax laws of Hong Kong;

- Pakistan's withholding tax rates for Hong Kong residents on royalties and on fees for technical services (both currently at 15 per cent) will be capped at 10 per cent and 12.5 per cent respectively;

- Pakistan's withholding tax rate for Hong Kong residents on dividends (currently at various rates and can be as high as 25 per cent in some cases) and interest (currently at various rates and can be as high as 17.5 per cent in some cases) will be capped at 10 per cent;

- Hong Kong air carrier operating flights to Pakistan will be taxed at Hong Kong's corporation tax rate; and

- Profits from international shipping transport earned by Hong Kong residents that arise in Pakistan, which are currently subject to tax there, will enjoy 50 per cent reduction in tax in Pakistan.