

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

Highlights

Under the agreement:

- double taxation is avoided in that any Hong Kong income tax paid by Portuguese residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Portugal;
- the withholding tax on dividends derived by Hong Kong residents in Portugal will be reduced from the current rate of 20% for corporation and 21.5% for individual to 5% for a company (other than a partnership) which holds directly at least 10% of the capital of the paying company, and 10% for other cases;
- the withholding tax rate on royalties derived by Hong Kong residents in Portugal will be reduced from 15% for corporation and 21.5% for individual to 5%;
- the withholding tax rate on interest derived by Hong Kong residents will be reduced from 20% for corporation and 21.5% for individual to 10%. The withholding tax on interest income will be exempted if the recipient is the Hong Kong Special Administrative Region (HKSAR) Government or the Hong Kong Monetary Authority (HKMA);
- profits from international shipping transport earned by Hong Kong residents that arise in Portugal will enjoy full tax exemption; and
- Hong Kong airlines operating flights to Portugal will be taxed at the much lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 25% in Portugal, which they are subject to currently.

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

Highlights

Under the agreement:

- double taxation is avoided in that any Hong Kong income tax paid

by Spanish residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Spain;

- the withholding tax on dividends derived by Hong Kong residents in Spain will be reduced from the current rate of 19% to 0% for a company (other than a partnership) holding directly at least 25% of the capital of the company paying the dividends, and at 10% for other cases;
- the withholding tax rate on royalties derived by Hong Kong residents in Spain will be reduced from 24% to 5%;
- the withholding tax on interest derived by Hong Kong residents in Spain will be reduced from the current rate of 19% to 5%. The withholding tax on interest income will be exempted if the recipient is the HKSAR Government, HKMA, a financial institution or an approved pension fund or if the interest is paid by the Spanish government, its political subdivision, local authority or statutory body, or is with respect to a loan, debt-claim or credit that is owed to, or made, provided, guaranteed or insured by, the Spanish government, its political subdivision, local authority or export facilitating agency;
- profits from international shipping transport earned by Hong Kong residents that arise in Spain will enjoy full tax exemption; and
- Hong Kong airlines operating flights to Spain will be taxed at the much lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 20%-30% in Spain, which they are subject to currently.

Hong Kong and the Czech Republic
Comprehensive Agreement for the Avoidance of Double Taxation

Highlights

Under the agreement:

- double taxation is avoided in that any Hong Kong income tax paid by the Czech Republic residents or companies shall be allowed as a credit against any tax payable in respect of the same income in the Czech Republic;
- the withholding tax on dividends derived by Hong Kong residents in the Czech Republic will be reduced from the current rate of 15% to 5%;
- the withholding tax on royalties derived by Hong Kong residents in the Czech Republic will be reduced from the current rate of

15% to 10%;

- the withholding tax on interest derived by Hong Kong residents in the Czech Republic will be reduced from the current rate of 15% to 0%;
- profits from international shipping transport earned by Hong Kong residents that arise in the Czech Republic will enjoy full tax exemption; and
- Hong Kong airlines operating flights to the Czech Republic will be taxed at the much lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 19% in the Czech Republic, which they are subject to currently.