

Highlights of the Comprehensive Avoidance of Double Taxation Agreements (CDTAs)

(A) CDTA with Armenia

- double taxation will be avoided in that any tax paid in Armenia, whether directly or by deduction, by Hong Kong companies in accordance with the CDTA will be allowed as a credit against the tax payable in Hong Kong on the same income, subject to the provisions of the tax laws of Hong Kong;
- income derived by a Hong Kong resident from employment exercised in Armenia will be exempt from tax in Armenia if, among others, the resident's aggregate stay in Armenia in any relevant 12-month period does not exceed 183 days;
- Armenia's withholding tax rate for Hong Kong residents on dividends will normally be capped at 0 per cent or 5 per cent (depending on the percentage of their shareholdings), while that on interest and royalties will normally be capped at 5 per cent; and
- Hong Kong airlines operating flights to and from Armenia will only be taxed in Hong Kong with respect to their profits, and will not be taxed in Armenia.

(B) CDTA with Bahrain

- double taxation will be avoided in that any tax paid in Bahrain, whether directly or by deduction, by Hong Kong companies in accordance with the CDTA will be allowed as a credit against the tax payable in Hong Kong on the same income, subject to the provisions of the tax laws of Hong Kong;
- income derived by a Hong Kong resident from employment exercised in Bahrain will be exempt from tax (if charged in future)¹ in Bahrain if, among others, the resident's aggregate stay in Bahrain in any relevant 12-month period does not exceed 183 days; and

¹ Bahrain currently does not impose tax on employment income.

- Bahrain's withholding tax rate for Hong Kong residents on royalties will be capped at 5 per cent (if charged in future).²

(C) CDTA with Bangladesh

- double taxation will be avoided in that any tax paid in Bangladesh, whether directly or by deduction, by Hong Kong companies in accordance with the CDTA will be allowed as a credit against the tax payable in Hong Kong on the same income, subject to the provisions of the tax laws of Hong Kong;
- income derived by a Hong Kong resident from employment exercised in Bangladesh will be exempt from tax in Bangladesh if, among others, the resident's aggregate stay in Bangladesh in any relevant 12-month period does not exceed 183 days;
- Bangladesh's withholding tax rate for Hong Kong residents on dividends will be capped at 10 per cent or 15 per cent (depending on the percentage of their shareholdings); while that on interest, royalties and fees for technical services will normally be capped at 10 per cent;
- Hong Kong residents deriving profits from international shipping transport in Bangladesh will enjoy 50 per cent tax reduction in Bangladesh in respect of the profits subject to tax there.

(D) CDTA with Croatia

- double taxation will be avoided in that any tax paid in Croatia, whether directly or by deduction, by Hong Kong companies in accordance with the CDTA will be allowed as a credit against the tax payable in Hong Kong on the same income, subject to the provisions of the tax laws of Hong Kong;
- income derived by a Hong Kong resident from employment exercised in Croatia will be exempt from tax in Croatia if, among others, the resident's aggregate stay in Croatia in any relevant 12-month period does not exceed 183 days;

² Bahrain currently does not impose withholding tax on royalties.

- Croatia's withholding tax rates for Hong Kong residents on dividends, interest and royalties will normally be capped at 5 per cent; and
- profits from international shipping transport earned by Hong Kong residents arising in Croatia will not be taxed in Croatia.

(E) CDTA with Türkiye

- double taxation will be avoided in that any tax paid in Türkiye, whether directly or by deduction, by Hong Kong companies in accordance with the CDTA will be allowed as a credit against the tax payable in Hong Kong on the same income, subject to the provisions of the tax laws of Hong Kong;
- income derived by a Hong Kong resident from employment exercised in Türkiye will be exempt from tax in Türkiye if, among others, the resident's aggregate stay in Türkiye in any relevant 12-month period does not exceed 183 days;
- Türkiye's withholding tax rate for Hong Kong residents on dividends will be capped at 5 per cent or 10 per cent (depending on the percentage of their shareholdings); while that on interest and royalties will normally be capped at 10 per cent, and further reduced to 7.5 per cent if the interest is received by a financial institution in respect of a loan or debt instrument with a maturity period exceeding two years, or if the royalties are for the use of, or the right to use, industrial, commercial or scientific equipment;
- Hong Kong airlines operating flights to and from Türkiye will only be taxed in Hong Kong with respect to their profits, and will not be taxed in Türkiye; and
- profits from international shipping transport earned by Hong Kong residents arising in Türkiye will not be taxed in Türkiye.