

財經事務及庫務局局長

香港雪廠街
中醫政府合署



SECRETARY FOR FINANCIAL
SERVICES AND THE TREASURY

Central Government Offices,
Ice House Street,
Hong Kong

21 February 2008

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note dated 11 January 2008, which reads as follows:

"I have the honour to refer to the Agreement between the Government of the Kingdom of Thailand and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed in Bangkok on 7 September 2005, which entered into force on 7 December 2005.

In this connection, I, on behalf of the Government of the Kingdom of Thailand, have further the honour to confirm the understanding that each Contracting Party shall not impose, in accordance with its domestic laws and regulations, a tax on profits remitted by a "permanent establishment" of an enterprise of the other Contracting Party situated in its territory, as defined under Article 5 of the said Agreement.

I, therefore, propose that, if the above understanding is confirmed by the Government of the Hong Kong Special Administrative Region of the People's Republic of China, this Note and Your Excellency's Note in reply to that effect shall constitute an agreement between the two Governments, which shall form an integral part of the above-mentioned Agreement and shall enter into force on the date of entry into force thereof."

In reply, I have the honour to state that the above understanding is confirmed by the Government of the Hong Kong Special Administrative Region of the People's Republic of China and that the present Note and Your Excellency's Note under reply shall constitute an Agreement between the two Governments, which shall form an integral part of the above-mentioned Agreement and shall enter into force on the date of entry into force thereof.

Accept, Excellency, the renewed assurances of my highest consideration.

(Professor K C Chan)
Secretary for Financial Services
and the Treasury

His Excellency,

Mr. Virasakdi Futrakul,
Permanent Secretary
Ministry of Foreign Affairs,
BANGKOK.