

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

Highlights

Under the agreement:

- double taxation is avoided in that Hungary will provide exemption to her residents or companies for any income which is subject to Hong Kong tax;
- the withholding tax on dividend derived by Hong Kong residents in Hungary will be reduced from the current rate of 25% to 10%. If the recipient holds 10% or more of the share capital of the paying company, the withholding tax rate will be further reduced to 5%;
- the withholding tax on interest derived by Hong Kong residents in Hungary will be reduced from the current rate of 30% to 5%. The withholding tax on interest will be exempted if the recipient is the HKSAR Government, the Hong Kong Monetary Authority or an appointed financial establishment;
- the withholding tax rate on royalties derived by Hong Kong residents in Hungary will be reduced from 30% to 5%;
- profits from international shipping transport earned by Hong Kong residents that arise in Hungary will enjoy full tax exemption; and
- Hong Kong airlines operating flights to Hungary will be taxed at the lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 19% in Hungary, which they are subject to currently.

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

Highlights

Under the agreement:

- double taxation is avoided in that Austria will provide exemption to her residents or companies for income which is subject to Hong Kong tax;
- the withholding tax on dividend derived by Hong Kong residents in Austria will be reduced from the current rate of 25% to 10%. If the recipient holds 10% or more of the capital of the paying company, the withholding tax will be exempted;
- the withholding tax rate on royalties derived by Hong Kong residents in Austria will be reduced from 20% to 3%;
- profits from international shipping transport earned by Hong Kong residents that arise in Austria will enjoy full tax exemption; and
- Hong Kong airlines operating flights to Austria 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 Austria, which they are subject to currently.

Hong Kong and the UK
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 British residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in the UK;
- the withholding tax on dividend derived by Hong Kong residents from UK Real Estate Investment Trusts will be reduced from the current rate of 20% to 15%;

- the 20% withholding tax on interest derived by Hong Kong residents in the UK will be exempted;
- the withholding tax on royalties derived by Hong Kong residents in the UK will be reduced from the current rate of 20% to 3%; and
- upon its entry into force, the Hong Kong/UK CDTA will supersede the existing limited double taxation avoidance agreements for airline income and for shipping income respectively providing the same level of benefits.

Hong Kong and Ireland
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 Irish residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Ireland;
- the 20% withholding tax on dividend derived by Hong Kong residents in Ireland will be exempted;
- the withholding tax on interest derived by Hong Kong residents in Ireland will be reduced from the current rate of 20% to 10%. The withholding tax on interest will be exempted if the recipient is the HKSAR Government, the Hong Kong Monetary Authority, a bank, or a recognized pension fund;
- the withholding tax rate on royalties derived by Hong Kong residents in Ireland will be reduced from 20% to 3%; and
- profits from international shipping transport earned by Hong Kong residents that arise in Ireland will enjoy full tax exemption.