

Hong Kong and Kuwait
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 Kuwaiti residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Kuwait;
- the withholding tax on dividends derived by Hong Kong residents in Kuwait will be reduced from the current rate of 15% to 5%. The withholding tax on dividends will be exempted if the recipient is the Hong Kong Special Administrative Region Government;
- the withholding tax rate on royalties derived by Hong Kong residents in Kuwait will be reduced from the current rate of 15% to 5%;
- profits from international shipping transport earned by Hong Kong residents that arise in Kuwait will enjoy full tax exemption; and
- upon its entry into force, the Hong Kong/Kuwait Comprehensive Avoidance of Double Taxation Agreement will supersede the existing provisions in the air services agreement with Kuwait on limited double taxation avoidance agreement for airline income, i.e. Hong Kong airlines operating flights to Kuwait will be taxed in Hong Kong at Hong Kong's corporation tax rate.

Hong Kong and Switzerland
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 Swiss residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Switzerland;
- the withholding tax on dividends derived by Hong Kong residents in Switzerland will be reduced from the current rate of 35% to 10%. The withholding tax on dividends will be exempted if the beneficial owner is a company which holds at least 10% of the

capital of the paying company, a pension fund or the Hong Kong Monetary Authority;

- the withholding tax on interest derived by Hong Kong residents in Switzerland will be exempted;
- profits from international shipping transport earned by Hong Kong residents that arise in Switzerland will enjoy full tax exemption; and
- upon its entry into force, the Hong Kong/Switzerland Comprehensive Avoidance of Double Taxation Agreement will supersede the existing provisions in the air services agreement with Switzerland on limited double taxation avoidance agreement for airline income, i.e. Hong Kong airlines operating flights to Switzerland will be taxed in Hong Kong at Hong Kong's corporation tax rate.

Hong Kong and Malta
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 Maltese residents or companies shall be allowed as a credit against any tax payable in respect of the same incomes in Malta;
- profits from international shipping transport earned by Hong Kong residents that arise in Malta will enjoy full tax exemption; and
- Hong Kong airlines operating flights to Malta will be taxed at the lower corporation tax rate of 16.5% in Hong Kong as against the corporate tax rate of 35% in Malta, which they are subject to currently.