

**Comprehensive Avoidance of Double Taxation Arrangement  
between Hong Kong and Macao**

**Highlights**

Under the arrangement:

- double taxation will be avoided in that any Macao tax paid by Hong Kong residents in respect of income derived from sources in Macao will be allowed as a credit against the Hong Kong tax payable in respect of the same income, subject to the provisions of the tax laws of Hong Kong;
- profits from cross-boundary shipping, air and land transport earned by Hong Kong residents arising from Macao will not be taxed in Macao; and
- where an eligible teacher or researcher employed in Hong Kong conducts teaching or research activities at a recognised educational or scientific research institution in Macao, the income derived therefrom to the extent that it is paid by or on behalf of the Hong Kong employer will be exempt from tax in Macao for a period not exceeding three years, provided that the income is subject to tax in Hong Kong and (in relation to income derived from research) the research is undertaken in the public interest.