Hong Kong and Romania 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 Romanian residents or companies shall be allowed as a deduction from any tax payable in respect of the same income in Romania;
- the withholding tax rate on royalties derived by Hong Kong residents in Romania will be reduced from the current rate of 16% to 3%;
- the withholding tax rate on interest derived by Hong Kong residents in Romania will be reduced from the current rate of 16% to zero or 3% (The zero rate would be applicable if Hong Kong levies no withholding tax on interest. Otherwise, the rate will be capped at 3%). The withholding tax on interest will be exempted if the interest is derived and beneficially owned by the Government of the Hong Kong Special Administrative Region (HKSAR), Hong Kong Monetary Authority (HKMA), Exchange Fund or such other financial institutions wholly or mainly owned by the Government of the HKSAR and mutually agreed upon by both Parties;
- the withholding tax rate on dividends derived by Hong Kong residents in Romania will be reduced from the current rate of 16% to 3% or 5% (The cap of 3% would be applicable if the beneficial owner is a company which holds directly at least 15% of the capital of the company paying the dividends. Otherwise, the rate will be capped at 5%). The withholding tax on dividends will be exempted if the dividends are derived and beneficially owned by the Government of the HKSAR, HKMA, Exchange Fund or such other financial institutions wholly or mainly owned by the Government of the HKSAR and mutually agreed upon by both Parties; and
- profits from international shipping transport earned by Hong Kong residents that arise in Romania will enjoy full tax exemption.

Hong Kong and Russia 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 Russian residents or companies shall be allowed as a credit against any tax payable in respect of the same income in Russia;
- the withholding tax rate on royalties derived by Hong Kong residents in Russia will be reduced from the current rate of 20% (companies) or 30% (individuals) to 3%;
- the withholding tax rate on dividends derived by Hong Kong residents in Russia will be reduced from the current rate of 15% to 5% or 10% (The cap of 5% would be applicable if the beneficial owner is a company which holds directly at least 15% of the capital of the company paying the dividends. Otherwise, the rate will be capped at 10%). The withholding tax on dividends will be exempted if the recipient is the Government of the HKSAR, HKMA, Exchange Fund or such other entities wholly or mainly owned by the Government of the HKSAR and mutually agreed upon by both Parties;
- profits from international shipping transport earned by Hong Kong residents that arise in Russia will enjoy full tax exemption; and
- ➤ Hong Kong airlines operating flights to Russia will only be taxed in Hong Kong at Hong Kong's corporation tax rate.