

# Orders on Comprehensive Avoidance of Double Taxation Agreement with Cambodia and Protocol to Comprehensive Avoidance of Double Taxation Arrangement with the Mainland gazetted

Two orders made by the Chief Executive in Council under the Inland Revenue Ordinance (Cap. 112) to implement the Comprehensive Avoidance of Double Taxation Agreement with Cambodia (Cambodia CDTA) and the Fifth Protocol to the Comprehensive Avoidance of Double Taxation Arrangement with the Mainland (Mainland CDTA) respectively will be gazetted on October 4.

"Under the Cambodia CDTA, investors will not have to pay tax twice on a single source of income. It will bring tax savings and a greater certainty on taxation liabilities for the residents of the treaty partners when they engage in cross-border trade and investment activities," a Government spokesman said.

Regarding the Fifth Protocol to the Mainland CDTA, it incorporates into the Mainland CDTA a new teachers and researchers article to provide tax relief to qualified Hong Kong and Mainland teachers and researchers working on the other side, as well as measures to prevent tax treaty abuse to ensure that the Mainland CDTA follows the latest international tax standard.

Highlights of the Cambodia CDTA and the Fifth Protocol to the Mainland CDTA are set out in the Annex.

The two orders will be tabled at the first sitting of the Legislative Council after the publication in the Gazette for negative vetting. The Cambodia CDTA and the Fifth Protocol to the Mainland CDTA will enter into force after both Hong Kong and the respective partners have completed their ratification procedures.

Hong Kong signed the Cambodia CDTA and the Fifth Protocol to the Mainland CDTA in June and July 2019 respectively.