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18 August 2017

Mr Stephen Lo
Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(R)
Financial Services and the Treasury Bureau
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Mr Lo,

Potential Tax Treaty Partners for Hong Kong


Thank you for your letter of 4 August 2017 inviting the Hong Kong General Chamber of Commerce to provide suggestions on prospective jurisdictions that Hong Kong should actively pursue Comprehensive Avoidance of Double Taxation Agreements (“CDTAs”).

In light of the opportunities arising from and the geographical coverage of the Belt and Road Initiative (“The Initiative”), we would continue to recommend the Government to consider approaching jurisdictions that fall within the scope of this important national strategy.

The Initiative spans 65 countries, which collectively account for over 60 per cent of the world’s population, more than one-third of international trade, and 30 per cent of global GDP. Although Hong Kong has already entered into or is in the midst of negotiating a CDTA with 24 of these jurisdictions, these account for less than 40% of the jurisdictions under The Initiative’s catchment area.

We would therefore recommend that the Government approach the jurisdictions on the list attached on CDTA discussions for the purpose of further enhancing Hong Kong’s role as the springboard and the gateway to link up Mainland’s market with economies spanning Asia, Europe and Africa.

Sincerely,



Shirley Yuen
CEO

encl.

Proposed Potential CDTA Negotiation Partners

<u>Jurisdictions</u>	<u>Priority</u>	<u>Reasons</u>
<u>Southeast Asia</u>		
Laos	Medium	Belt and Road economy.
Myanmar	Low	Belt and Road economy.
Philippines	Medium	Belt and Road economy.
Singapore	High	Belt and Road economy. APEC member. Important trading partner and investment source.
Timor-Leste	Low	Belt and Road economy.
<u>South Asia</u>		
Bhutan	High	Belt and Road economy.
Maldives	Medium	Belt and Road economy.
Nepal	High	Belt and Road economy.
Sri Lanka	Medium	Belt and Road economy.
<u>Central and Western Asia</u>		
Afghanistan	Low	Belt and Road economy but subject to the restoration of general law and order in the country.
Armenia	High	Belt and Road economy.
Azerbaijan	Medium	Belt and Road economy.
Georgia	Medium	Belt and Road economy.
Iran	Low	Belt and Road economy.
Kazakhstan	Medium	Belt and Road economy.
Kyrgyzstan	Low	Belt and Road economy.
Mongolia	Medium	Belt and Road economy.
Tajikistan	Low	Belt and Road economy.
Turkmenistan	Low	Belt and Road economy.
Uzbekistan	Low	Belt and Road economy.

<u>Middle East and Africa</u>		
Egypt	Low	Belt and Road economy.
Iraq	Low	Belt and Road economy but subject to the restoration of general law and order in the country.
Jordan	Medium	Belt and Road country.
Lebanon	Low	Belt and Road economy but subject to the restoration of general law and order in the country.
Oman	High	Belt and Road economy.
Palestine	Low	Belt and Road economy but subject to the restoration of general law and order in the country.
Syrian Arab Republic	Low	Belt and Road economy but subject to the restoration of general law and order in the country.
Yemen	Low	Belt and Road economy but subject to the restoration of general law and order in the country.
<u>Central and Eastern Europe</u>		
Albania	High	Belt and Road economy.
Bosnia & Herzegovina	High	Belt and Road economy.
Bulgaria	High	Belt and Road economy.
Croatia	High	Belt and Road economy.
Estonia	High	Belt and Road economy.
Lithuania	High	Belt and Road economy.
Moldova	High	Belt and Road economy.
Montenegro	High	Belt and Road economy.
Poland	High	Belt and Road economy.
Serbia	High	Belt and Road economy.
Slovakia	Low	Belt and Road economy.
Slovenia	High	Belt and Road economy.
Ukraine	Low	Belt and Road economy but subject to the restoration of general law and order in the country.