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11th January, 2013

Miss Shirley Kwan
Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(R)
Government of the Hong Kong SAR
Financial Services and the Treasury Bureau
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Miss Kwan,

Potential Partners for Comprehensive Avoidance of Double Taxation Agreements

Thank you for your letter of 27th December, 2012 inviting recommendations on prospective jurisdictions that should be considered as part of Hong Kong's double taxation agreement (DTA) network.

The Chamber believes a suitable network of DTAs with key trade and investment partners can help attract business to Hong Kong by leveraging on its competitive advantage as a strategic investment holding platform for outbound investment by Chinese enterprises as well as inbound investment by multinational corporations into China. Hong Kong also functions as important regional headquarters hub for many multinational corporations.

To further enhance the business environment of Hong Kong and to facilitate the flow of trade and investments, we would recommend that the Government approach the jurisdictions in the list attached on DTA discussions.

Sincerely,

Shirley Yuen
CEO

encl.

Proposed Potential CDTA Negotiation Partners

<u>Jurisdictions</u>	<u>Priority</u>	<u>Reasons</u>
Australia	High	Major commodity / natural resources player which China investors would be interested to invest in.
Brazil	High	Emerging commodity / natural resources player which China investors would be interested to invest in.
India	High	Important emerging market (to pursue negotiation)
Germany	Medium	Extensive investments in China
Mongolia	Medium	Emerging natural resources player
Taiwan	Medium	Extensive investments in China
Singapore	Medium	To leverage on their existing tax treaty network
United States	Medium	Important trading partner