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31 July 2020

Mr Stephen Lo
Principal Assistant Secretary for Financial Services &
the Treasury (Treasury)(R2)
Financial Services and the Treasury Bureau
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

(By Email and Post)

Dear Mr Lo

Potential Tax Treaty Partners for Hong Kong

Thank you for your letter of 2 July 2020 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”).

The Chamber believes the pursuit of CDTAs is the right direction for Hong Kong in maintaining its role as a preferred conduit for facilitating the flow of international trade and investment. A wider network of CDTAs would also help us attract international businesses that are keen to capitalise on the opportunities that our unique position offers as a strategic gateway for investments in and out of the Mainland. As such, we recommend that the Government consider the jurisdictions on the attached list for CDTA discussions.

We also understand that the Government is currently engaged in CDTA negotiations with Germany, Nigeria and Turkey. Given the considerable market size of these three countries, we look forward to the successful conclusion of such negotiations as soon as practicable.

Yours sincerely



George Leung
CEO

Encl.

Proposed Potential CDTA Negotiation Partners

<u>Jurisdictions</u>	<u>Priority</u>	<u>Reasons</u>
<u>Southeast Asia</u>		
East Timor	Low	- Belt and Road economy
Laos	Medium	- Belt and Road economy, - Free Trade Agreement with Hong Kong.
Myanmar	Medium	- Belt and Road economy, - Free Trade Agreement with Hong Kong.
Philippines	Medium	- Belt and Road economy, - APEC member, - Free Trade Agreement with Hong Kong.
Singapore	High	- Belt and Road economy, - Free Trade Agreement with Hong Kong, - APEC member, - Important trading partner and investment source.
Taiwan	Medium	- APEC member with extensive investments in Mainland China, - Important trading partner and investment source.
<u>Central and Western Asia</u>		
Azerbaijan	High	- Belt and Road economy.
Kazakhstan	Medium	- Belt and Road economy
<u>Australasia</u>		
Australia	High	- Free Trade Agreement with Hong Kong, - APEC member, - Important trading partner, - Major commodities/natural resources player that is of

		interest to Mainland investors.
<u>Americas</u>		
United States	Medium	- Important trading partner, - APEC member.
Chile	High	- Hong Kong's 3 rd and 34 th largest trading partner respectively in Latin America and the world, - APEC member - Fulfilment of an agreement in principle reached in October 2019 , - Free Trade Agreement with Hong Kong.
<u>Middle East and Africa</u>		
Algeria	High	- Belt and Road economy.
Egypt	High	- Belt and Road economy.
Libya	Medium	- Belt and Road economy but subject to the restoration of general law and order in the country.
Tunisia	High	- Belt and Road economy.
<u>Central and Eastern Europe</u>		
Bulgaria	High	- Belt and Road economy.
Poland	High	- Belt and Road economy.
<u>Southern and Northern Europe</u>		
Greece	High	- Belt and Road economy.
Sweden	Medium	- One of the top four European destinations for Chinese investment .
Iceland	Medium	- Free Trade Agreement with Hong Kong.