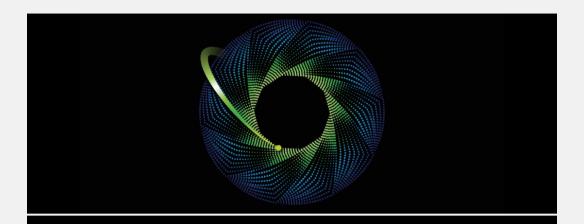
Hong Kong | Tax & Business Advisory | 6 July 2021 | Issue 143



# Hong Kong Tax Newsflash Hong Kong-Georgia tax treaty in force



The Comprehensive Double Taxation Agreement (CDTA) for Hong Kong-Georgia has come into force on 1 July 2021, after the completion of ratification procedures. The CDTA will be in effect starting from the year of assessment 2022/23 in Hong Kong and from 1 January 2022 in Georgia.

The Hong Kong-Georgia CDTA was signed in October 2020 and can be downloaded from this <u>link</u>. Please also refer to our previous *Hong Kong Tax Newsflash (Issue 131)* for the key features of the CDTA.

In addition to the provision of more beneficial withholding tax rates applicable to dividends, interest and royalties, the Hong Kong-Georgia CDTA provides beneficial treatment on capital gains. For example, capital gains derived by a Hong Kong investor from the disposal of shares of a Georgian company (except land-rich<sup>1</sup>) are generally exempt from tax in Georgia under the CDTA.

<sup>1</sup> Capital gains derived by a Hong Kong resident from the alienation of shares or comparable interests, such as interests in a partnership or trust, may be taxed in Georgia if, at any time during the 365 days preceding the alienation, these shares or comparable interests derived more than 50% of their value directly or indirectly from immovable property situated in Georgia.

**Tax Newsflash** is published for the clients and professionals of Deloitte Touche Tohmatsu. The contents are of a general nature only. Readers are advised to consult their tax advisors before acting on any information contained in this newsletter.

If you have any questions, please contact our professionals:

#### **Authors**

### Sarah Chan

Tax Partner +852 2852 1628

sarahchan@deloitte.com.hk

## **Doris Chik**

Tax Director +852 2852 6608

dchik@deloitte.com.hk

#### Carmen Cheung

Tax Manager +852 2740 8660

carmcheung@deloitte.com.hk

# International and M&A Tax

National Leader

Vicky Wang Tax Partner

+86 21 6141 1035

vicwang@deloitte.com.cn

#### **Hong Kong**

Anthony Lau

Tax Partner

+852 2852 1082

antlau@deloitte.com.hk

#### Get in touch

















Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see <a href="www.deloitte.com/about">www.deloitte.com/about</a> to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 330,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

The Deloitte brand entered the China market in 1917 with the opening of an office in Shanghai. Today, Deloitte China delivers a comprehensive range of audit & assurance, consulting, financial advisory, risk advisory and tax services to local, multinational and growth enterprise clients in China. Deloitte China has also made—and continues to make—substantial contributions to the development of China's accounting standards, taxation system and professional expertise. Deloitte China is a locally incorporated professional services organization, owned by its partners in China. To learn more about how Deloitte makes an Impact that Matters in China, please connect with our social media platforms at

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2021 Deloitte Touche Tohmatsu in Hong Kong, Deloitte Touche Tohmatsu in Macau, and Deloitte Touche Tohmatsu Certified Public Accountants LLP in the Chinese Mainland. All rights reserved.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.