



Hong Kong Tax Newsflash

Hong Kong-Mauritius tax treaty signed

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Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Mauritius on 7 November 2022. This is the 46th CDTA concluded by HK.

Below is a comparison of the withholding tax rates applicable to dividends, interest and royalties, under the respective domestic tax law and the HK-Mauritius CDTA:

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95%/ 16.5% ^{NB1}
Mauritius non-CDTA rate	0%	0% / 15% ^{NB2}	15%
HK-Mauritius CDTA rate	0% / 5% ^{NB3}	0% / 5% ^{NB4}	5%

NB1: The 4.95% rate generally applies. If the royalty is paid to an associated entity and the intellectual property has been owned by a person carrying on business in HK, the higher rate of 16.5% applies. If the taxpayer is eligible for two-tiered tax rates, 2.475% (or 8.25% if higher rate) applies on the first HKD 2 million of assessable profits and 4.95% (or 16.5% if higher rate) on the remaining amount.

NB2: 15% for payments made to a non-resident company in general; 0% for payments made to a bank or non-bank deposit-taking institution.

NB3: 0% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends throughout a 365 day period, or paid to the Government of

Mauritius / HK, the HK Monetary Authority, the Exchange Fund of HK, the Bank of Mauritius, or any entity wholly or mainly owned by the Government of Mauritius / HK as may be agreed from time to time between the competent authorities of both jurisdictions; 5% in all other cases.

NB4: 0% if it is paid to the Government of Mauritius / HK, the HK Monetary Authority, the Exchange Fund of HK, the Bank of Mauritius, or any entity wholly or mainly owned by the Government of Mauritius / HK as may be agreed from time to time between the competent authorities of both jurisdictions; otherwise, the rate will be 5%.

The HK-Mauritius CDTA will come into force after the completion of ratification procedures by both jurisdictions. The CDTA can be downloaded from this [link](#).

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