



## Hong Kong Tax Newsflash

### Hong Kong-Croatia tax treaty signed

#### INspire HK

#### 躍動香港

Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Croatia on 24 January 2024. This is the 48th 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-Croatia CDTA:

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95% / 16.5% <sup>NB1</sup>
Croatia non-CDTA rate	10% / 25% <sup>NB2</sup>	15% / 25% <sup>NB3</sup>	15% / 25% <sup>NB3</sup>
HK-Croatia CDTA rate	5%	5%	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, 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: 10% for payments made to a non-resident company in general; 25% for payments made to entities that have their headquarters or place of effective management in a jurisdiction that is on the EU list of noncooperative jurisdictions for tax purposes.*

*NB3: 15% for payments made to a non-resident company in general; 25% for payments made to entities that have their headquarters or place of effective*

*management in a jurisdiction that is on the EU list of noncooperative jurisdictions for tax purposes.*

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

**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

#### Doris Chik

Tax Partner

+852 2852 6608

[dchik@deloitte.com.hk](mailto:dchik@deloitte.com.hk)

#### Carmen Cheung

Senior Tax Manager

+852 2740 8660

[carmcheung@deloitte.com.hk](mailto:carmcheung@deloitte.com.hk)

#### Kiwi Fung

Tax Manager

+852 2258 6162

[kifung@deloitte.com.hk](mailto:kifung@deloitte.com.hk)

---

### International and M&A Tax

#### National Leader

#### Vicky Wang

Tax Partner

+86 21 6141 1035

[vicwang@deloitte.com.cn](mailto:vicwang@deloitte.com.cn)

#### Hong Kong

#### Anthony Lau

Tax Partner

+852 2852 1082

[antlau@deloitte.com.hk](mailto:antlau@deloitte.com.hk)

---

Get in touch



Deloitte China provides integrated professional services, with our long-term commitment to be a leading contributor to China's reform, opening-up and economic development. We are a globally connected firm with deep roots locally, owned by our partners in China. With over 20,000 professionals across 31 Chinese cities, we provide our clients with a one-stop shop offering world-leading audit & assurance, consulting, financial advisory, risk advisory, tax and business advisory services.

We serve with integrity, uphold quality and strive to innovate. With our professional excellence, insight across industries, and intelligent technology solutions, we help clients and partners from many sectors seize opportunities, tackle challenges and attain world-class, high-quality development goals.

The Deloitte brand originated in 1845, and its name in Chinese (德勤) denotes integrity, diligence and excellence. Deloitte's global professional network of member firms now spans more than 150 countries and territories. Through our mission to make an impact that matters, we help reinforce public trust in capital markets, enable clients to transform and thrive, empower talents to be future-ready, and lead the way toward a stronger economy, a more equitable society and a sustainable world.

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 [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

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 is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities 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.

© 2024 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.**