



Hong Kong Tax Newsflash

Hong Kong-Kyrgyz Republic tax treaty signed

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Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Kyrgyz Republic on 2 March 2026. Kyrgyz Republic is one of the economies participating in the Belt and Road Initiative. This is the 56th 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-Kyrgyz Republic CDTA:

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95% / 16.5% ¹
Kyrgyz Republic non-CDTA rate	0% / 10% ²	0% / 10% ³	10%
HK-Kyrgyz Republic CDTA rate	5% / 10% ⁴	8%	8%

In addition to the provision of more beneficial withholding tax rates, the CDTA provides beneficial treatment on capital gains. Capital gains derived by a HK investor from the disposal of shares in a Kyrgyzstan company are generally exempt from tax in the Kyrgyz Republic under the CDTA, unless the company is land-rich⁵.

The HK-Kyrgyz Republic 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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¹ 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.

² The 10% rate generally applies. If the dividend is paid by a company subject to a preferential tax regime; or derived from securities listed on the stock exchange of Kyrgyzstan in the highest and next highest category or listed on a foreign stock exchange included in the list approved by the Cabinet of Ministers, 0% applies.

³ The 10% rate generally applies. If the interest is paid on international bonds listed on the stock exchange of Kyrgyzstan in the highest and next highest listing category or listing on a foreign stock exchange included in the list approved by the Cabinet of Ministers, 0% applies.

⁴ 5% if the beneficial owner is a company which holds directly at least 20% of the capital of the company paying the dividends throughout a 365-day period; 10% in all other cases.

⁵ A company deriving more than 50% of its value directly or indirectly from immovable property situated in the Kyrgyz Republic during the 365 days preceding the disposal.

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