Hong Kong Tax Newsflash

Hong Kong-Slovenia tax treaty signed

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Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Slovenia on 4 September 2026. Slovenia is one of the economies participating in the Belt and Road Initiative. This is the 60th 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-Slovenia CDTA:

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95% / 16.5%[1]
Slovenia non-CDTA rate	15%	15%	15%
HK-Slovenia CDTA rate	5% / 10%[2]	5%	5%

The CDTA also provides beneficial treatment on capital gains. Capital gains derived by a HK investor from the disposal of shares in a Slovenia company are generally exempt from tax in the Slovenia under the CDTA, unless the company is land-rich[3]. Nevertheless, capital gains from the disposal of shares in a land-rich company may still be exempt from tax in Slovenia if the shares are quoted on a recognised stock exchange.

The HK-Slovenia CDTA will come into force after the completion of ratification procedures by both jurisdictions. The CDTA can be downloaded from this link.

[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] 5% 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; 10% in all other cases.

[3] A company deriving more than 50% of its value directly or indirectly from immovable property situated in Slovenia during the 365 days preceding the disposal.

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