



Hong Kong Tax Newsflash

Hong Kong's tax treaties with Bangladesh and Croatia come into force

Hong Kong | Tax & Business Advisory | 23 December 2024 | Issue 232

Hong Kong's Comprehensive Double Taxation Agreements (CDTAs) with Bangladesh and Croatia came into force on 20 December 2024, following the completion of the relevant ratification procedures. These CDTAs will be in effect starting from the year of assessment 2025/26 in Hong Kong, 1 July 2025 in Bangladesh, and 1 January 2025 in Croatia, respectively.

The CDTA's with Bangladesh and Croatia were signed in August 2023 and January 2024, respectively, and can be downloaded from the [Inland Revenue Department's website](#). Please also refer to our previous [Hong Kong Tax Newsflash – Issue 193](#) and [Issue 206](#) for the key features of these CDTAs.

In addition to the provision of more beneficial withholding tax rates applicable to dividends, interest and royalties, the CDTAs provide beneficial treatment on capital gains. For example, capital gains derived by a Hong Kong investor from the disposal of shares in a Bangladesh / Croatia company (except land-rich¹) are generally exempt from tax in Bangladesh and Croatia under the CDTAs.

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.

Authors

Doris Chik

Tax Partner

+852 2852 6608

dchik@deloitte.com.hk

Carmen Cheung

Senior Tax Manager

+852 2740 8660

carmcheung@deloitte.com.hk

¹ Capital gains derived by a Hong Kong resident from the alienation of shares of a company deriving more than 50% of its asset value directly or indirectly from immovable property situated in Bangladesh / Croatia.

For more information, please contact:

International Tax and M&A Services

National Leader

Vicky Wang

Tax Partner

+86 21 6141 1035

vicwang@deloittecn.com.cn

Southern China Leader

Anthony Lau

Tax Partner

+852 2852 1082

antlau@deloitte.com.hk



About Deloitte

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, tax & business advisory, strategy, risk & transactions, and technology & transformation 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 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.