



Tax Newsflash

Hong Kong Tax News: HK-Pakistan Tax Treaty Signed

Hong Kong (HK) signed a comprehensive agreement for the avoidance of double taxation (CDTA) with Pakistan on 17 February 2017. Pakistan is one of the countries along the Belt and Road. This is the 37th CDTA concluded by HK.

Below is a comparison of the withholding tax (WHT) rates of dividends, interest, royalties and technical services fees, under the respective domestic tax law and the HK-Pakistan CDTA:

	Dividends	Interest	Royalties	Technical services fees (NB3)
HK non-CDTA rate	0%	0%	4.95%/16.5% (NB1)	N/A
Pakistan non-CDTA rate	Up to 25%	Up to 17.5%	15%	15%
HK-Pakistan CDTA rate	10%	0% / 10% (NB2)	10%	12.5%

NB1: The 4.95% rate applies (i) if the royalty is not paid to a related party; or (ii) if the royalty is paid to a related party, the licensed intellectual property has never been owned in whole or in part by a person carrying on business in Hong Kong. Otherwise, the rate is 16.5%.

NB2: 0% for beneficial owner being the government or institutions authorized by the government; 10% in all other cases.

NB3: Technical services fees mean payments for any services of a technical, managerial or consultancy nature.

The HK-Pakistan CDTA will come into force after the completion of ratification procedures on both sides. 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:

Davy Yun

Tax Partner

Tel: +852 2852 6538

Email: dyun@deloitte.com.hk

Doris Chik

Tax Senior Manager

Tel: +852 2852 6608

Email: dchik@deloitte.com.hk



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [About Deloitte](#) for a more detailed description of DTTL and its member firms.

Privacy

Thank you for your interest in Deloitte China services. Deloitte China would like to continue to use your personal information (in particular name and contact details) for the purpose of sending you marketing and regulatory updates, invitations to seminars and other events organized, sponsored or promoted by Deloitte China. If you do not wish to receive further communications from Deloitte China, please send a return email to the sender with the word "Unsubscribe" in the subject line.

If you would like to update your personal information, please click [here](#).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the "Deloitte Network") is by means of this communication, rendering professional advice or services. None of the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

©2017. For information, contact Deloitte China.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.