



Hong Kong Tax Newsflash: Hong Kong-Finland tax treaty signed

Hong Kong (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Finland on 24 May 2018. This is the 40th CDTA concluded by HK. Finland was HK's 50th largest trading partner in 2017. HK has signed CDTA's with 16 member states of the European Union, including Finland.

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

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95%/16.5% ^{NB1}
Finland non-CDTA rate	20%	0%	20%
HK-Finland CDTA rate	5%/10% ^{NB2}	0%	3%

NB1: The 4.95% rate generally does not apply to royalty paid to a related party unless the licensed intellectual property has never been owned in whole or in part by a person carrying on business in Hong Kong.

NB2: 5% for a company which controls directly at least 10% of the voting power in the company paying the dividends; 10% in all other cases.

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

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If you have any questions, please contact one of the following professionals:

Ryan Chang

Tax Partner

+852 2852 6768

ryanchang@deloitte.com

Doris Chik

Tax Senior Manager

+852 2852 6608

dchik@deloitte.com.hk



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