

	中英税收协定 Sino-UK Tax Agreement	港英协定 Hongkong-UK Tax Agreement
1.Taxes Covered	<p>1. This Agreement shall apply to taxes on income and on capital gains imposed on behalf of a Contracting State or of its political subdivisions or of its local authorities,including taxes on gains from the alienation of movable or immovable property.</p> <p>2. The existing taxes to which the Agreement shall apply are in particular:the individual income tax and the enterprise income tax in China; the income tax, the corporation tax and the capital gains tax in the United Kingdom</p>	<p>1. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property and taxes on capital appreciation.</p> <p>2. The existing taxes to which this Agreement shall apply are: profits tax, salaries tax and property tax in Hong Kong;the income tax, the corporation tax and the capital gains tax in the United Kingdom</p>
2. Resident	<p>1. Have a ambiguous definition for "resident of a Contracting State"</p> <p>2. Where an individual is a resident of both Contracting States, then his status shall be determined by permanent home,centre of vital interests, habitual abode and nationality in turn.</p> <p>3. Where a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.</p>	<p>1.Both Hongkong and the United Kingdom have a clear definition for "resident of a Contracting State".</p> <p>2. Where an individual is a resident of both Contracting States, then his status shall be determined by permanent home,centre of vital interests, and habitual abode in turn. Nationality is not included as a criteria.</p> <p>3.Where a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.</p>
3. Permanent Establishment	<p>The term "permanent establishment" likewise encompasses a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period of more than 12 months.</p>	<p>The term "permanent establishment" also encompasses a building site, a construction, assembly or installation project or supervisory activities in connection therewith, constitute a permanent establishment only if such site, project or activities last more than six months.</p>
4.Income from Immovable Property	<p>The provisions apply to the income from immovable property used for the performance of independent personal services.</p>	<p>The provisions don't apply to the income from immovable property used for the performance of independent personal services.</p>
5. Business Profits	<p>两者基本一致 Consistent</p>	
6.Shipping and Air Transport	<p>1.Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State, which shall also apply to profits from the participation in a pool, a joint business or an international operating agency, but only to so much of the profits so derived as is attributable to the participant in proportion to its share in the joint operation.</p> <p>2. Profits from the operation of ships or aircraft in international traffic include:</p> <p>a) profits from the rental on a bare boat basis of ships or aircraft; and</p> <p>b) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise;</p> <p>where such rental or such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic.</p>	<p>1.Profits of an enterprise of a Contracting Party from the operation of ships or aircraft in international traffic shall be taxable only in that Party,which also apply to profits from the participation in a pool, a joint business or an international operating agency.</p> <p>2. Profits from the operation of ships or aircraft in international traffic shall include:</p> <p>(a) profits from the operation of ships or aircraft for the transport of persons,baggage, livestock, goods, mail or merchandise in international traffic including:</p> <p>(i) income derived from rental operation on a full (time or voyage) basis;</p> <p>(ii) income derived from the lease of ships or aircraft on a bareboat basis where such lease is incidental to the operation of ships or aircraft in international traffic; and</p> <p>(iii) income derived from the sale of tickets or similar documentation and the provision of services connected with such transport whether for the enterprise itself or for any other enterprise, provided that in the case of provision of services, such provision is incidental to the operation of ships and aircraft in international traffic;</p> <p>(b) interest on funds directly connected with the operation of ships or aircraft in international traffic;</p> <p>(c) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) by the enterprise, where such use, maintenance or rental is incidental to the operation of ships or aircraft in international traffic.</p>

<p>7. Dividends</p>	<p>1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax charged shall not exceed:</p> <p>a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25 per cent of the capital of the company paying the dividends;</p> <p>b) 15 per cent of the gross amount of the dividends where those dividends are paid out of income or gains derived directly or indirectly from immovable property within the meaning of Article 6 by an investment vehicle which distributes most of this income or gains annually and whose income or gains from such immovable property is exempted from tax;</p> <p>c) 10 per cent of the gross amount of the dividends in all other cases.</p> <p>Notwithstanding the provisions above, dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State shall be taxable only in that other Contracting State if the beneficial owner of the dividend is the Government of that other Contracting State or any of its institutions; or other entity the capital of which is wholly-owned directly or indirectly by the Government of that other Contracting State.</p>	<p>1. All the conditions are consistent with that of agreement between China and United Kindom except the the restrictions of taxation credits:</p> <p>a) except as provided in sub-paragraph (b), such dividends shall be exempt from tax in the Contracting Party of which the company paying the dividends is a resident (big difference);</p> <p>b) other than where the beneficial owner of the dividends is a pension scheme, where dividends are paid out of income (including gains) derived directly or indirectly from immovable property within the meaning of Article 6 by an investment vehicle which distributes most of this income annually and whose income from such immovable property is exempted from tax, the tax charged by the Contracting Party of which the company paying the dividends is a resident shall not exceed 15 per cent of the gross amount of the dividends (same with that of agreement between China and United Kindome) .</p>
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8. Interest	<p>1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.</p> <p>2. Interest arising in a Contracting State and derived by the Government of the other Contracting State, a political sub-division or local authority thereof, the Central Bank of that other Contracting State or any agency of, or entity wholly owned by, that Government, or by any other resident of that other Contracting State with respect to debt-claims of that resident which are financed, guaranteed or insured by the Government of that other Contracting State, a political sub-division or local authority thereof, the Central Bank of that other Contracting State or any agency of, or entity wholly owned by, that Government, shall be exempt from tax in the first-mentioned Contracting State.</p>	<p>1. All are same with the agreement between China and United Kingdom except: if the beneficial owner of the interest is a resident of the other Contracting Party and at least one of the conditions mentioned below is met, that interest shall be taxable only in that other Party.</p> <p>(a) the interest is beneficially owned by:</p> <p>(i) that other Party itself, a political subdivision or local authority thereof including, in the case of the Hong Kong Special Administrative Region, the Hong Kong Monetary Authority;</p> <p>(ii) an individual;</p> <p>(iii) a company whose principal class of shares is regularly traded on a recognised stock exchange;</p> <p>(iv) a pension scheme;</p> <p>(v) a financial institution which is unrelated to and dealing wholly independently with the payer (the term "financial institution" here means a bank or other enterprise substantially deriving its profits by raising debt finance in the financial markets or by taking deposits at interest and using those funds in carrying on a business of providing finance); or</p> <p>(vi) a company other than a company mentioned under sub-paragraphs (iii), (iv) or (v) provided that the competent authority of the Contracting Party which has to grant the benefits determines that the establishment, acquisition or maintenance of the company does not have as its main purpose or one of its main purposes to secure the benefits of this Article;</p> <p>(b) the interest is paid:</p> <p>(i) by a Contracting Party, a political subdivision or local authority thereof including, in the case of the Hong Kong Special Administrative Region, the Hong Kong Monetary Authority;</p> <p>(ii) by a bank in the ordinary course of its banking business; or</p> <p>(iii) on a quoted Eurobond.</p>
9. Royalties	<p>1. Define "Royalties" as:</p> <p>a) payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, or films or tapes for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for information (know-how) concerning industrial, commercial or scientific experience; and</p> <p>b) payments of any kind received as a consideration for the use of, or the right to use, industrial, commercial, or scientific equipment.</p> <p>2. If the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed:</p> <p>a) in the case of royalties referred to in sub-paragraph a) of paragraph 3, 10 per cent of the gross amount of the royalties; and</p> <p>b) in the case of royalties referred to in sub-paragraph b) of paragraph 3, 10 per cent of the adjusted amount of the royalties. For the purpose of this sub-paragraph "the adjusted amount" means 60 per cent of the gross amount of the royalties.</p>	<p>1. Same definition :</p> <p>2. If the beneficial owner of the royalties is a resident of the other Contracting Party, the tax so charged shall not exceed 3 per cent of the gross amount of the royalties.</p>

10. Capital Gain 财产收益/资本收益	<p>1. Gains derived by a resident of a Contracting State from the alienation of shares deriving more than 50% of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.</p> <p>2. Gains derived by a resident of a Contracting State from the alienation of shares in a company which is a resident of the other Contracting State may be taxed in that other Contracting State if the first-mentioned resident, at any time during the twelve-month period preceding such alienation, owned directly or indirectly, at least 25 per cent of the shares of that company.</p>	<p>1. No difference for the first provision.</p> <p>2. Gains derived by a resident of a Contracting Party from the alienation of shares or comparable interests of a company deriving more than 50 per cent of its asset value directly or indirectly from immovable property situated in the other Contracting Party may be taxed in that other Party. However, this paragraph does not apply to gains derived from the alienation of shares:</p> <p>(a) quoted on a recognised stock exchange; or</p> <p>(b) alienated or exchanged in the framework of a reorganisation of a company, a merger, a division or a similar operation; or</p> <p>(c) in a company deriving more than 50 per cent of its asset value from immovable property in which it carries on its business.</p>
11. Independent Personal Services	<p>1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State except in the following circumstances, when such income may also be taxed in the other Contracting State:</p> <p>a) if he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or</p> <p>b) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from his</p> <p>2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.</p>	No such provisions.
12. Government Service	Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.	Pension is not mentioned.
13. Other Income	No these two provisions. No difference with other clauses.	<p>1. Specific rules on trustees or personal representatives payment: where income is paid to a beneficiary who is a resident of the Hong Kong Special Administrative Region by trustees or personal representatives who are residents of the United Kingdom out of income received by those trustees or personal representatives which would, if those trustees or personal representatives had been residents of the Hong Kong Special Administrative Region, have fallen within other Articles of this Agreement, the beneficiary shall be treated as having received an amount of income received by the trustees or personal representatives corresponding to the income received by him and any tax paid by the trustees or personal representatives on that amount shall be treated as having been paid by the beneficiary.</p> <p>2. Specific rules on alimony or other maintenance payment: alimony or other maintenance payment paid by a resident of a Contracting Party to a resident of the other Contracting Party shall, to the extent it is not allowable as a deduction to the payer in the first-mentioned Party, be taxable only in that Party.</p>

14. Elimination of Double Taxation	<p>1. Where a resident of China derives profit, income or capital gains from the United Kingdom, the amount of the United Kingdom tax payable in respect of such profit, income or capital gain in accordance with the provisions of this Agreement shall be allowed as a credit against the Chinese tax imposed on that resident. The amount of credit, however, shall not exceed the amount of the Chinese tax computed with respect to such profit, income or capital gains in accordance with the tax laws and regulations of China.</p> <p>2. Where the income derived from the United Kingdom is a dividend paid by a company which is a resident of the United Kingdom to a company which is a resident of China and which owns more than 20 per cent of the shares of the company paying the dividend, the credit shall take into account the United Kingdom tax payable by the company paying the dividend in respect of its income.</p> <p>3. These two agreements have same methods for elimination of double taxation.</p>	<p>1. Hong Kong Special Administrative Region has similar taxation exemption with China mainland to avoid double taxation.</p> <p>2. The agreement has exemption provision for dividend income.</p>
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