

# Hong Kong and Maldives enter into tax pact (with photos)

Hong Kong today (May 26, Maldives time) signed a comprehensive avoidance of double taxation agreement (CDTA) with Maldives in that country. It sets out the allocation of taxing rights between Hong Kong and Maldives, which will help investors better assess their potential tax liabilities from cross-border economic activities.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "Maldives is a participant in the Belt and Road Initiative. This CDTA, which is the 52nd that Hong Kong has concluded, signifies the ongoing achievements of the Hong Kong Special Administrative Region (HKSAR) Government in expanding Hong Kong's CDTA network, in particular with tax jurisdictions participating in the Belt and Road Initiative. I have every confidence that this CDTA will further promote economic and trade connections between Hong Kong and Maldives. We will continue to seek to sign CDТАs with other tax jurisdictions. This will enhance the attractiveness of Hong Kong as a business and investment hub and consolidate the city's status as an international economic and trade centre."

In accordance with the Hong Kong-Maldives CDТА, Hong Kong companies can enjoy double taxation relief in that any tax paid in Maldives, whether directly or by deduction, will be allowed as a credit against the tax payable in Hong Kong in respect of the same income under the tax laws of Hong Kong.

The CDТА also provides the following tax relief arrangements:

- (a) Maldives' withholding tax rate for Hong Kong residents on dividends will be capped at 5 per cent or 10 per cent (depending on the percentage of their shareholdings);
- (b) Hong Kong airlines operating flights to and from Maldives will be taxed at Hong Kong's corporation tax rate on their profits, and will not be taxed in Maldives; and
- (c) Profits from international shipping transport earned by Hong Kong residents arising in Maldives will enjoy a 50 per cent tax reduction in Maldives.

The Commissioner of Inland Revenue, Mr Benjamin Chan, signed the CDТА on behalf of the HKSAR Government with the Commissioner General of Taxation of the Inland Revenue Authority, Mr Hassan Zareer, representative of the Government of Maldives, on the margins of the Eighth High-level meeting of the Asia Initiative hosted by Maldives.

The CDТА will come into force after completion of ratification procedures by both jurisdictions. In Hong Kong, the Chief Executive in Council will make an order under the Inland Revenue Ordinance (Cap. 112),

which will be tabled at the Legislative Council for negative vetting. Details of the Hong Kong-Maldives CDTA are available on the [Inland Revenue Department's website](#).

The Asia Initiative was launched by the Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organisation for Economic Co-operation and Development in 2021. It focuses on developing tailored solutions to ensure the implementation of tax transparency standards across Asia and enhancing regional co-operation. To date, Hong Kong and 16 other tax jurisdictions have joined the Asia Initiative.



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## [SWD reminds public to remain vigilant against phone scams](#)

The Social Welfare Department (SWD) today (May 26) reminds members of the public to remain vigilant against phone scams purportedly made by SWD officers.

The SWD has received enquiries from restaurants about phone calls purportedly made by SWD officers who claimed to want to reserve tables or place orders for food items or drinks. The caller would also request that the restaurants assist in ordering goods from other vendors and settle the relevant payments.

The SWD emphasised that its officers would never request members of the public to settle any payments for the department. Members of the public should remain vigilant when receiving suspicious calls, rather than believing the callers hastily.

The SWD has reported the matter to the Police. Anyone receiving a suspected phone scam should immediately make a report to the Police.

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## **Housing Bureau awards two operation and management contracts of Light Public Housing projects (with photos)**

The Housing Bureau (HB) today (May 26) awarded the third and fourth operation and management contracts of the Light Public Housing (LPH) projects (Contract No. LPH20240003 and LPH20250001) to the Easy Living Consultant Limited and Yan Oi Tong Limited Joint Venture; and the Lok Sin Tong Benevolent Society, Kowloon and Wellpoint Property Management Services Limited Joint Venture, at tender sums of about \$143 million and about \$139 million respectively.

The third contract covers the operation and management of the LPH project at Tsing Fuk Lane, Tuen Mun (i.e. Tuen Mun Area 3A), providing about 1 900 units. The fourth contract covers the operation and management of the LPH project at Olympic Avenue, Kai Tak (Phase 1), providing about 3 000 units. Both projects are anticipated to be completed in the fourth quarter of this year. The operating organisations will need to work at full capacity to carry out the pre-management works effectively, so as to ensure the smooth handling of LPH applications and intake arrangements, and to provide various services and ancillary facilities for the residents and local communities immediately upon intake.

The Secretary for Housing, Ms Winnie Ho, said, "Under the steer of the HB, the first LPH project at Yau Pok Road, Yuen Long, is progressing towards full intake, while the project at Choi Hing Road, Ngau Tau Kok, will commence intake in phases by the end of next month. With the appointment of the third and the fourth operating organisations for LPH today, this social project has further taken a significant step forward, and more citizens in need will benefit from the LPH."

"I look forward to working closely with various operating organisations in the coming years to ensure effective operation and management, thereby allowing the residents and nearby communities to benefit from the projects' ancillary facilities and community services. We are also inviting tenders for two other operation and management contracts, covering the four school

conversion projects and the Sheung On Street project in Chai Wan. I would like to appeal to other organisations that are interested in operating LPH projects to actively participate in the tenders and work together with the Government to improve the living environment of the grassroots and help them in their pursuit of happiness," she added.

In addition to providing accommodation, the LPH projects will also offer various services and facilities for the residents and the local community. Therefore, unlike general property management contracts, the requirements for LPH's operation and management services, not only cover occupant management, property management, and daily maintenance, but also a range of social services, as well as the management and operation of ancillary facilities.

To ensure service quality, the HB has, in the assessment process, carried out a technical assessment based on a series of criteria including the management capability and relevant experience of the tenderers, as well as the proposed modes of operation and management, social services to be provided, exit plan and the use of innovation and information technology. The tender price was then comprehensively evaluated to decide on the most suitable operating organisation.

The Chief Executive announced the construction of about 30 000 LPH units by 2027-28. The HB and the Architectural Services Department have been working at full steam to take forward the related works. The LPH Phase 1 and Phase 2 applications, covering about 4 400 and 5 060 units respectively, have received an overwhelming response, with about 21 900 applications received by the end of May this year.



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## [Hong Kong Customs seizes suspected cannabis buds worth about \\$6.9 million](#)

## at airport (with photo)

Hong Kong Customs yesterday (May 25) detected a drug trafficking case involving baggage concealment at Hong Kong International Airport and seized about 32 kilograms of suspected cannabis buds with an estimated market value of about \$6.9 million.

A 23-year-old female passenger arrived in Hong Kong from Vancouver, Canada, yesterday. During customs clearance, Customs officers found the batch of suspected cannabis buds inside her two pieces of check-in suitcases. The woman was subsequently arrested.

The arrested person has been charged with one count of trafficking in a dangerous drug. The case will be brought up at the West Kowloon Magistrates' Court tomorrow (May 27).

Customs will continue to step up enforcement against drug trafficking activities through intelligence analysis. The department also reminds members of the public to stay alert and not participate in drug trafficking activities for monetary return. They must not accept hiring or delegation from another party to carry controlled items into and out of Hong Kong. They are also reminded not to carry unknown items for other people.

Customs will continue to apply a risk assessment approach and focus on selecting passengers from high-risk regions for clearance to combat transnational drug trafficking activities.

Under the Dangerous Drugs Ordinance, trafficking in a dangerous drug is a serious offence. The maximum penalty upon conviction is a fine of \$5 million and life imprisonment.

Members of the public may report any suspected drug trafficking activities to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)) or online form ([eform.cefs.gov.hk/form/ced002](http://eform.cefs.gov.hk/form/ced002)).



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# **Fraudulent websites and internet banking login screens related to The Bank of East Asia, Limited**

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by The Bank of East Asia, Limited relating to fraudulent websites and internet banking login screens, which have been reported to the HKMA. A hyperlink to the press release is available on the [HKMA website](#).

The HKMA wishes to remind the public that banks will not send SMS or emails with embedded hyperlinks which direct them to the banks' websites to carry out transactions. They will not ask customers for sensitive personal information, such as login passwords or one-time password, by phone, email or SMS (including via embedded hyperlinks).

Anyone who has provided his or her personal information, or who has conducted any financial transactions, through or in response to the websites or login screens concerned, should contact the bank using the contact information provided in the press release, and report the matter to the Police by contacting the Crime Wing Information Centre of the Hong Kong Police Force at 2860 5012.