

# Hong Kong and Macao enter into tax pact

A spokesman for the Government announced today (November 25) that Hong Kong and Macao have signed a comprehensive avoidance of double taxation arrangement (Arrangement), signifying enhanced tax co-operation between Hong Kong and Macao.

This Arrangement is the 43rd comprehensive avoidance of the double taxation agreement/arrangement that Hong Kong has signed with its trading partners. It will help deepen the economic and trade ties between Hong Kong and Macao, offer additional incentives for the business sector of both sides to do business and invest, promote nurturing and exchanges of talents, and further drive the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

In 2018, Macao was Hong Kong's 19th largest trading partner. Following the conclusion of the Arrangement between Hong Kong and Macao, Hong Kong has signed relevant agreements with 14 of its top 20 trading partners.

Under the Arrangement, any Macao tax paid by Hong Kong residents in respect of income derived from sources in Macao will be allowed as a credit against the Hong Kong tax payable on the same income, subject to the provisions of the tax laws of Hong Kong. For Macao residents, double taxation will be avoided by way of exemption of the income taxed in Hong Kong from the Macao tax, or by crediting the Hong Kong tax paid against the Macao tax payable in respect of the same income.

Moreover, the Arrangement provides the following tax relief arrangements:

(a) Profits earned by Hong Kong residents in Macao from cross-boundary shipping, air and land transport will not be taxed in Macao; and

(b) An eligible teacher or researcher who is employed in Hong Kong and engages in teaching and research activities at a recognised educational or scientific research institution in Macao shall be exempt from tax in Macao for a period of three years, provided that the relevant income has been subject to tax in Hong Kong.

The Arrangement will come into force after the completion of ratification procedures by both sides. In the case of Hong Kong, the Arrangement will be implemented by way of an order to be made by the Chief Executive in Council under the Inland Revenue Ordinance (Cap. 112). The order is subject to negative vetting by the Legislative Council.

Details of the Hong Kong-Macao Arrangement (Chinese version only) can be found on the Inland Revenue Department's website ([www.ird.gov.hk/chi/pdf/Arrangement\\_Macao\\_HongKong.pdf](http://www.ird.gov.hk/chi/pdf/Arrangement_Macao_HongKong.pdf)).

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## Waste statistics for 2018 published

The Environmental Protection Department (EPD) today (November 25) published the report "Monitoring of Solid Waste in Hong Kong – Waste Statistics for 2018", presenting the 2018 statistics on disposal and recovery/recycling of solid waste generated in Hong Kong, which includes municipal solid waste (MSW), comprising domestic, commercial and industrial waste as well as overall construction waste and special waste.

### Waste disposal

Overall, the average daily quantity of solid waste disposed of at landfills was 16 096 tonnes in 2018. Regarding MSW, the average daily quantity of disposal at landfills was 11 428 tonnes in 2018. Typhoon Mangkhut, which hit Hong Kong in September 2018, resulted in extensive damage to the city, and subsequently generated a large amount of unconventional waste. Discounting the effect of typhoon Mangkhut, the daily MSW disposal rate would be 1.50 kilograms per capita in 2018.

Looking at the figures by waste type, food waste was the largest component of MSW in 2018, accounting for 31 per cent, followed by waste paper (24 per cent) and waste plastics (21 per cent). These amounts are comparable with those in 2017. With the commissioning of the Organic Resources Recovery Centre Phase 1 (O · PARK1) at Siu Ho Wan and the implementation of the Producer Responsibility Scheme (PRS) on waste electrical and electronic equipment (WEEE), disposal of food waste and WEEE dropped by 2.6 per cent and 7.8 per cent year-on-year respectively.

Regarding construction waste, the recovery rate of inert construction materials delivered to public fill reception facilities and other outlets in 2018 remained at a level of over 90 per cent, as in 2017. The disposal of overall construction waste at landfills registered a decrease of 3 per cent compared with 2017. This could be partly attributable to the increase in construction waste disposal charges effective from April 2017, strengthening the incentive for the trade to reduce and reuse construction and demolition materials and reduce disposal.

### Resources recovery

Hong Kong relies heavily on service industries, and has extremely limited capacity to utilise raw or recycled materials in local production. The value of and outlets for local recyclables have long been dictated by market conditions outside Hong Kong. The challenging condition of the market outside Hong Kong for recyclables that has persisted in recent years, together with stricter import controls imposed by nearby jurisdictions, have continued to affect the overall performance of the recycling industry. The MSW recovery rate was 30 per cent in 2018, down by two percentage points

compared with 2017. However, metal recyclables continued to have the highest recovery rate at 90 per cent among all recyclable types. The commissioning of O · PARK1 in 2018 has led to an 84 per cent increase in the recovery of food waste compared to 2017.

An EPD spokesman said that the Government would continue to work diligently to implement the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022". The Government introduced the bill on MSW charging in the Legislative Council (LegCo) in November 2018. The EPD will continue to facilitate the scrutiny of the bill by LegCo and will continue to launch various policies to promote the sustainable use of resources. Further to the full implementation of the PRS on WEEE from August 2018, the EPD is implementing the PRS on glass beverage containers progressively.

The report and "Hong Kong 2018 Municipal Solid Waste – At a Glance" are both available in an electronic format and can be obtained from the EPD website at [www.wastereduction.gov.hk/en/assistancewizard/waste\\_red\\_sat.htm](http://www.wastereduction.gov.hk/en/assistancewizard/waste_red_sat.htm).

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## Communications Authority press release

The following is issued on behalf of the Communications Authority:

This press release summarises the decisions of the Communications Authority (CA) following its 90th meeting held in November 2019:

Amendments to the radio code of practice on technical standards

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In view of the discontinuation of digital audio broadcasting (DAB) services in September 2017 and the dismantling of all the related transmission facilities by March 2019, the CA decided to remove references relating to the provision of DAB services from and make other editorial changes to the radio code of practice on technical standards (the Code). The amended Code is available on the CA's website ([www.coms-auth.hk/filemanager/common/policies\\_regulations/cop/RadioTechCode\\_BAAR\\_e.pdf](http://www.coms-auth.hk/filemanager/common/policies_regulations/cop/RadioTechCode_BAAR_e.pdf).)

Renewal and termination of "other licensable television programme service" licences

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The CA approved the applications by Hongkong International Theme Parks Limited and Golden News Enterprises Limited for renewal of their respective "other licensable television programme service" (other licensable TV) licences for the provision of television programme services to hotel rooms in Hong Kong for a period of 12 years. The CA also approved the application by

Luxury Hotels International of Hong Kong Limited to terminate its other licensable TV licence with effect from December 20, 2019.

Following the renewal or termination of the above licences, there will be 21 other licensable TV licensees providing television programme services to more than 70 hotels in Hong Kong.

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## **Effective Exchange Rate Index**

The effective exchange rate index for the Hong Kong dollar on Monday, November 25, 2019 is 106.4 (down 0.1 against last Saturday's index).

The effective exchange rate index for the Hong Kong dollar on Saturday, November 23, 2019 was 106.5 (up 0.1 against last Friday's index).

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## **Counting of votes for District Council Ordinary Election completed smoothly**

The following is issued on behalf of the Electoral Affairs Commission:

The counting of votes in 452 constituencies of the 2019 District Council Ordinary Election was completed smoothly at 12.25pm today (November 25).

The counting of about 2,940,000 ballot papers was completed in about 13 hours after polling ended last night (November 24).

"In general, the poll and the count were completed smoothly thanks to the tolerance and patience of Hong Kong citizens," the Chairman of the Commission, Mr Justice Barnabas Fung Wah, said after the announcement of all election results.

The Commission will review various electoral arrangements. A report will be submitted to the Chief Executive within the next three months.

The District Council election was completed smoothly under very difficult situations. Unprecedented challenges have been met. The EAC is very thankful to the Hong Kong Government, especially the Crisis Management Committee which includes the Constitutional and Mainland Affairs Bureau, the Security Bureau, the Hong Kong Police Force, the Fire Services Department, the Civil Aid Service, the Transport Department, the Home Affairs Department, the Information Services Department and the Department of Justice, for its

support. Also, the Correctional Services Department and other law enforcement agencies made arrangements needed for the holding of the election.

The Commission also thanked the Registration and Electoral Office and polling and counting staff. There were many polling stations and counting stations, which involved a large amount of resources and manpower. Training for colleagues with little election-related work experience had to be enhanced to cope with the great workload. The Commission also thanked all the electors for voting, and the candidates and their agents for their co-operation, so that the voting and counting could be conducted in an open, fair and honest manner.