

Hong Kong and Finland enter into tax pact

The Secretary for Financial Services and the Treasury, Mr James Lau, on behalf of the Government of the Hong Kong Special Administrative Region, signed in Hong Kong today (May 24) a comprehensive avoidance of double taxation agreement (CDTA) with the Consul-General of Finland in Hong Kong, Mr Jari Sinkari, signifying the Government's sustained efforts in expanding Hong Kong's tax treaty network.

The CDTA sets out the allocation of taxing rights between the two jurisdictions and will help investors better assess their potential tax liabilities from cross-border economic activities.

Mr Lau said, "This is the 40th CDTA that Hong Kong has signed with its trading partners. Hong Kong has all along treasured the economic and trade ties with Finland, and I have every confidence that the signing of the CDTA will bring our bilateral relations to a new level."

In 2017, Finland was Hong Kong's 50th largest trading partner. Following the conclusion of the CDTA with Finland, Hong Kong has signed CDTAs with 16 member states of the European Union.

Under the CDTA, double taxation will be avoided in that any Finnish tax paid by Hong Kong companies will be allowed as a credit against the tax payable in Hong Kong on the same profits, subject to the provisions of the tax laws of Hong Kong. Likewise, for Finnish companies, the tax paid in Hong Kong will be allowed as a deduction from the tax payable on the same income in Finland.

Moreover, the agreement provides the following tax relief arrangements:

- (a) Finland's withholding tax rates for Hong Kong residents on dividends and royalties (currently at 20 per cent for companies and 30 per cent for individuals) will be capped at 5 per cent/10 per cent on dividends (depending on the percentage of shareholdings) and 3 per cent on royalties;
- (b) Hong Kong airlines operating flights to Finland will be taxed at Hong Kong's corporation tax rate, and will not be taxed in Finland; and
- (c) Profits from international shipping transport earned by Hong Kong residents arising in Finland will be exempt from tax in Finland.

The Hong Kong-Finland CDTA has also incorporated an article on exchange of information, which enables Hong Kong to fulfil its international obligations on enhancing tax transparency and combating tax evasion.

The CDTA will come into force after the completion of ratification procedures by both sides. In the case of Hong Kong, the CDTA 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-Finland CDTA can be found on the Inland Revenue Department's website (www.ird.gov.hk/eng/pdf/Agreement_Finland_HongKong.pdf).

Hong Kong will continue to negotiate with trading and investment partners, with a view to expanding its CDTA network.

SCED arrives at Papua New Guinea to attend APEC ministerial meeting (with photos)

The Secretary for Commerce and Economic Development, Mr Edward Yau, arrived at Port Moresby, Papua New Guinea today (May 24) to attend the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT) Meeting tomorrow.

Soon after his arrival in Port Moresby, Mr Yau held bilateral meetings with the Vice Minister of Commerce, Mr Wang Shouwen, and the ASEAN Secretariat Secretary-General, Dato' Lim Jock Hoi. They exchanged views on regional trade issues against the background of the current volatility of global trade.

To promote sustainable, innovative and inclusive growth in the region, APEC this year has adopted the theme "Harnessing Inclusive Opportunities, Embracing the Digital Future", with discussions focusing on how APEC embraces new challenges in the digital age under three priorities, namely improving connectivity and deepening regional economic integration; promoting sustainable and inclusive growth; and strengthening inclusive growth through structural reform. Mr Yau will participate in all the panel discussions.



Speech by FS at Hong Kong Disneyland Welcome Party for "Moana: A Homecoming Celebration" (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong Disneyland Welcome Party for "Moana: A Homecoming Celebration" today (May 24):

Mike (President and Managing Director of Walt Disney Parks and Resorts, Asia Pacific, Mr Michael Colglazier), Sam (Managing Director of Hong Kong Disneyland Resort, Mr Samuel Lau), Anthony (Executive Director of the Hong Kong Tourism Board, Mr Anthony Lau), Consul General (Consul General of the United States to Hong Kong and Macau, Mr Kurt Tong), distinguished guests, ladies and gentlemen,

Good afternoon.

I am delighted to be here today. It's indeed not often I get to watch a stage show during office hours. And I'm certainly looking forward to the very first public showing of "Moana: A Homecoming Celebration". I'm told that rare pleasure is ours immediately following today's opening ceremony celebrating the latest addition to Hong Kong Disneyland.

The show, of course, is based on "Moana", the 2017 Academy Award-nominated animated feature film from Disney.

It is also the very first "Moana" stage production to be featured at a Disney theme park around the world.

And there's more good news. "Moana: A Homecoming Celebration" is just the beginning of a series of new attractions under the multi-year expansion and development plan of the Hong Kong Disneyland.

The plan is being jointly funded by the Hong Kong SAR Government and Disney. And it will fuel expansion of the park's world-class entertainment offerings right through 2023.

That's marvellous news for park visitors, for Hong Kong Disneyland Resort and, no less, for the Hong Kong economy. Enhancing our entertainment attractions and offerings can only attract more tourists to Hong Kong from all over the world.

The Resort, of course, has done a good job of that since its opening back in 2005, welcoming more than 70 million visitors from all over the world.

Boosting Disneyland's appeal through new attractions and offerings is, and will continue to be, a high priority.

It's a strategy that's working well. Over the past two years, "Star Wars" and Iron Man have turned into resident superheroes, capturing the imagination of our park visitors. And I have no doubt that the inspired musical theatre, and visual storytelling, of "Moana" will do very much the same – captivate the world, right here at Hong Kong Disneyland.

And there's more magic on the way. Next year, Ant Man and the Wasp will set up home at the park – here to take on all villains in thrilling, non-stop adventure.

Hong Kong, I should add, is also up to some pretty amazing stuff these days.

This year alone, two world-class infrastructure developments near the park are slated to open. I'm talking about the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link.

All that state-of-the-art connectivity between Hong Kong and the Mainland can only boost the flow of business people, tourists and superheroes, creating unprecedented opportunities for Disney.

Thank you. Now, ladies and gentlemen, let's get on with the show.



EMSD introduces new measures to support renewable energy development in community

To combat climate change, the Government is actively promoting the development of renewable energy (RE) to encourage and support the community to install distributed RE systems. The Electrical and Mechanical Services Department (EMSD) launched the revamped Hong Kong Renewable Energy Net (HK RE Net) (re.emsd.gov.hk) today (May 24) to improve public access to related information. The EMSD has also set up a one-stop enquiry hotline to provide information on the installation of RE systems and answer related enquiries.

To promote RE development in the community, the EMSD uploaded on the website the latest information on the Feed-in Tariff (FiT) Scheme and Renewable Energy Certificate, reference lists of RE equipment suppliers and photovoltaic (PV) system contractors, and information on arrangements regarding the grid connection of RE systems and other reference materials. The above information will be updated from time to time.

Apart from visiting the EMSD website, members of the public may also

call the EMSD hotline at 6395 2930 for details. The EMSD will also organise seminars for the industry to learn about the details of the FiT Scheme and to share experiences.

A Government spokesman said that the new information on the website and support services provided by the EMSD could assist enterprises, property management companies, non-government organisations and the community to better understand technical details and application procedures involving various Government departments, as well as points to note for installing PV panels. The spokesman also called on enterprises and the community to join the FiT Scheme or purchase RE certificates to contribute to the development of RE.

Works contractors at Amoy Plaza and Kwong Tin Shopping Centre convicted for illegally carrying out renovation works at night and during holidays

Yuen Tat Construction Limited and another renovation contractor illegally carried out renovation works at night and during holidays at Amoy Plaza in Kowloon Bay and at a ground floor shop at Kwong Tin Shopping Centre in Lam Tin respectively, causing noise nuisance. The contractors were fined a total of \$18,000 by Kwun Tong Magistrates' Courts today (May 24) for contravening the Noise Control Ordinance (NCO).

The Environmental Protection Department (EPD) received public and Police referrals regarding the noise nuisance generated by renovation works at Amoy Plaza and Kwong Tin Shopping Centre. After investigation, it was confirmed that the contractors concerned were using electric drills after 7pm and carrying out hammering work during holidays, causing noise nuisance to nearby residents. The construction company and the contractor involved did not apply for a valid noise permit (CNP) prior to the commencement of the works and the EPD thus initiated prosecutions against the construction works company and the responsible person in accordance with the NCO.

The EPD spokesman stressed that construction contractors should schedule works for the daytime and non-general holidays as far as possible. If any part of the construction work has to be conducted during restricted hours (between 7pm and 7am on weekdays or at any time on a public holiday), the contractor has to obtain prior approval from the EPD for a CNP. After the CNP has been granted upon completion of assessment to support compliance with regulatory requirements, applicants must also implement noise mitigation measures in accordance with the CNP, including the erection of noise barriers

at the site, to minimise the impact of noise to nearby residents. Otherwise it constitutes an offence. First-time offenders are liable to a maximum fine of \$100,000. A maximum fine of \$200,000 may be imposed on second or subsequent convictions.