

Multilateral Convention (MLI) – Czech Republic Publishes Details of Amendments to Czech Republic-Hong Kong Tax Agreement

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On 24 February 2023, the Ministry of Finance of the Czech Republic published a document, in the Czech language, containing details of the amendments made to the [Czech Republic - Hong Kong Income Tax Agreement \(2011\)](#) by the MLI.

The Czech Republic deposited its instrument of ratification of the MLI on 13 May 2020. The instrument of approval for the MLI was deposited by China (People's Rep.) on behalf of Hong Kong on 25 May 2022. The MLI therefore entered into force for the Czech Republic on 1 September 2020 and for Hong Kong on 1 September 2022.

China (People's Rep.) on behalf of Hong Kong deposited a notification of completion of its internal procedures for the entry into effect of the MLI provisions pursuant to article 35(7)(b) of the MLI on 21 February 2023 (see [Multilateral Instrument \(MLI\) – Hong Kong Deposits Notification of Completion of Internal Procedures Under Article 35\(7\)\(b\) with OECD \(22 February 2023\)](#)).

The amendments concern:

- the text of the preamble of the agreement,
- the text of paragraph 1 of article 23 (Mutual Agreement Procedure) of the agreement, and
- application of the PPT rule.

Unless stated otherwise in the modifications document, the provisions of the MLI will have effect with respect to the [Czech Republic - Hong Kong Income Tax Agreement \(2011\)](#) as follows:

- a) in the Czech Republic, with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2024;
- b) in Hong Kong, with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after the first day of the taxable period that begins on or after 23 March 2023; and
- c) in both contracting states, with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 23 September 2023.

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