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## GOVERNMENT NOTICE

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### **SOUTH AFRICAN REVENUE SERVICE SUID-AFRIKAANSE INKOMSTEDIENS**

**No. 773****1 October 2012**

#### **Notice of proposed negotiation of an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income with the Government of the Hong Kong Special Administrative Region of the People's Republic of China**

At present there is no Agreement for the Avoidance of Double Taxation between South Africa and Hong Kong. Discussions at official level are to be held from 5 to 9 November 2012 in order to negotiate the Agreement for the Avoidance of Double Taxation between South Africa and Hong Kong and representations in this respect are invited and should be sent by 22 October 2012 to:

Ms Oshna Maharaj  
South African Revenue Service  
PO Box 402  
Pretoria  
0001

Facsimile number: 012-422-5192; or  
E-mail address: [osmaharaj@sars.gov.za](mailto:osmaharaj@sars.gov.za)

#### **Notes**

1. A double taxation treaty aims to eliminate the double taxation of income arising in one State and paid to residents of another State. Without a treaty the income could be taxable both in the State where it arises and in the State of residence of the recipient. Under a double taxation treaty taxing rights are allocated between States in respect of various classes of income and there are provisions to eliminate cases of double taxation that remain.

2. Double taxation treaties provide certainty of treatment for cross-border economic activity. The business community has long welcomed such treaties as an essential part of the framework for international trade. Double taxation treaties also include provisions to counter avoidance and evasion – not least by measures providing for the exchange of information between Revenue Authorities.