

**L.N. 55 of 2010****INLAND REVENUE (DOUBLE TAXATION RELIEF ON INCOME FROM AIRCRAFT OPERATIONS) (THE REPUBLIC OF THE FIJI ISLANDS) ORDER**

(Made by the Chief Executive in Council under section 49 of the Inland Revenue Ordinance (Cap. 112))

**1. Commencement**

This Order comes into operation on 19 July 2010.

**2. Declaration under section 49**

For the purposes of section 49 of the Ordinance, it is declared—

- (a) that the arrangements specified in section 3 have been made with the Government of The Republic of the Fiji Islands with a view to affording relief from double taxation in relation to income tax and other taxes of a similar character imposed by the laws of The Republic of the Fiji Islands; and
- (b) that it is expedient that those arrangements should have effect.

**3. Arrangements specified**

The arrangements specified for the purposes of section 2(a) are the arrangements in Article 9 of the agreement titled “Agreement between the Government of the Hong Kong Special Administrative Region of the People’s Republic of China and the Government of The Republic of the Fiji Islands concerning Air Services” and “《中華人民共和國香港特別行政區政府與斐濟群島共和國政府關於民用航空運輸的協定》” in the Chinese translation, done in duplicate at Hong Kong on 3 December 2009 in the English language. The text of that Article is reproduced in the Schedule.

## SCHEDULE

[s. 3]

ARTICLE 9 OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC  
OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF  
THE FIJI ISLANDS CONCERNING AIR SERVICES

**Article 9**

**Avoidance of Double Taxation**

- (1) Income or profits derived from the operation of aircraft in international traffic by an airline of one Contracting Party, including participation in a pool service, a joint air transport operation or an international operating agency, which are subject to tax in the area of that Contracting Party shall be exempt from income tax, profits tax and all other taxes on income or profits imposed in the area of the other Contracting Party.
- (2) Capital and assets of an airline of one Contracting Party relating to the operation of aircraft in international traffic shall be exempt from taxes of every kind and description on capital and assets imposed in the area of the other Contracting Party.
- (3) Gains from the alienation of aircraft operated in international traffic and movable property pertaining to the operation of such aircraft which are received by an airline of one Contracting Party shall be exempt from any tax on gains imposed in the area of the other Contracting Party.
- (4) For the purposes of this Article:
- (a) the term "income or profits" includes revenues and gross receipts from the operation of aircraft for the carriage of persons, livestock, goods, mail or merchandise in international traffic including:
    - (i) the charter or rental of aircraft;
    - (ii) the sale of tickets or similar documents, and the provision of services connected with such carriage, either for the airline itself or for any other airline; and
    - (iii) interest on funds directly connected with the operation of aircraft in international traffic;
  - (b) the term "international traffic" means any carriage by an aircraft except when such carriage is solely between places in the area of the other Contracting Party;
  - (c) the term "airline of one Contracting Party" means, in the case of the Hong Kong Special Administrative Region, an airline incorporated

and having its principal place of business in the Hong Kong Special Administrative Region and, in the case of The Republic of the Fiji Islands, an airline substantially owned and effectively controlled by the Government of The Republic of the Fiji Islands or its nationals;

- (d) the term “competent authority” means, in the case of the Hong Kong Special Administrative Region, the Commissioner of Inland Revenue or his authorised representative, or any person or body authorised to perform any functions at present exercisable by the Commissioner or similar functions, and, in the case of The Republic of the Fiji Islands, the Minister of Finance or his authorised representative.

(5) The competent authorities of the Contracting Parties shall, through consultation, endeavour to resolve by mutual agreement any disputes regarding the interpretation or application of this Article. Article 16 (Settlement of Disputes) shall not apply to any such dispute.

(6) Notwithstanding Article 20 (Entry into Force) each Contracting Party shall notify to the other the completion of the procedures required by its law for the bringing into force of this Article and the Article shall enter into force on the date of the last written notification. The Article shall then have effect:

- (a) in the Hong Kong Special Administrative Region, for any year of assessment beginning on or after 1st April in the calendar year next following that in which this Agreement or this Article enters into force, whichever is the later;
- (b) in The Republic of the Fiji Islands, for any year of assessment beginning on or after 1 January in the calendar year next following that in which this Agreement or this Article enters into force, whichever is the later.

(7) Notwithstanding Article 18 (Termination) where notice of termination of this Agreement is given under that Article, this Article shall cease to have effect:

- (a) in the Hong Kong Special Administrative Region, for any year of assessment beginning on or after 1st April in the calendar year next following that in which notice is given;
- (b) in The Republic of the Fiji Islands, 1 January in the calendar year next following that in which notice is given.

(8) This Article shall not have effect so long as an agreement for the avoidance of double taxation with respect to taxes on income, providing for similar exemptions to those in this Article, has effect between the Contracting Parties.

Manda CHAN  
Clerk to the Executive Council

COUNCIL CHAMBER  
11 May 2010

### **Explanatory Note**

The Government of the Hong Kong Special Administrative Region of the People's Republic of China and the Government of The Republic of the Fiji Islands signed an agreement concerning air services on 3 December 2009 ("Agreement"). This Order specifies the arrangements in Article 9 of the Agreement as double taxation relief arrangements under section 49 of the Inland Revenue Ordinance (Cap. 112) and declares that it is expedient that those arrangements should have effect. The effect of the declaration is that the arrangements have effect in relation to tax under the Inland Revenue Ordinance (Cap. 112) despite anything in any enactment.