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Government of India / Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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PRESS RELEASE

The Central Government have notified the “Hong Kong Special Administrative Region of the People’s Republic of China” as ‘specified territory’ for the purpose of Explanation 2 to Section 90 of the Income Tax Act 1961 vide Notification No. 25 of 2010 (F.No.500/124/9-FTD-II). The notification enables the Central Government to enter into a double taxation avoidance agreement with SAR of Hong Kong.

Earlier (i) Bermuda, (ii) British Virgin Islands, (iii) Cayman Islands, (iv) Gibraltar, (all British Overseas Territories); (v) Guernsey, (vi) Isle of Man, (vii) Jersey, (all British Crown Dependencies); (viii) Netherlands Antilles (an Autonomous Part of the Kingdom of Netherlands); and (ix) Macau (a Special Administrative Region of the People’s Republic of China) had been notified, enabling the Central Government to initiate and negotiate agreements for exchange of information for the prevention of evasion or avoidance of income tax and assistance in collection of income tax with the nine specified territories.

Section 90 of the Income Tax Act was amended by the Finance Act 2009 to enable the Central Government to enter into an agreement with any specified territory outside India, in addition to the already existing provision of agreement with the government of any country. Explanation 2 provides for notification of such specified territories.

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