AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA FOR THE EXCHANGE OF INFORMATION RELATING TO TAXES

The Government of the United States of America (the "United States") and the Government of the Hong Kong Special Administrative Region of the People's Republic of China (the "Hong Kong Special Administrative Region"), desiring to facilitate the exchange of information with respect to taxes, have agreed as follows:

ARTICLE 1

Object and Scope of this Agreement

The competent authorities of the Contracting Parties shall provide assistance to each other through exchange of information that is foreseeably relevant to the administration and enforcement of the internal laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 7 (Confidentiality).

ARTICLE 2

Jurisdiction

A requested Party shall not be obligated to provide information that is neither held by its authorities nor in the possession or control of persons who are within its geographic area of jurisdiction. With respect to information held by its authorities or in the possession or control of persons who are within its geographic area of jurisdiction, however, the requested Party shall provide information in accordance with this Agreement regardless of the residence or nationality of the person holding the information or to whom the information relates.

ARTICLE 3

Taxes Covered

1. This Agreement shall apply to the following taxes imposed by the Contracting Parties:

   (a) in the case of the United States,

      (i) federal taxes on income;

      (ii) federal taxes related to employment and self-employment;

      (iii) federal estate and gift taxes; and

      (iv) federal excise taxes;

   (b) in the case of the Hong Kong Special Administrative Region,

      (i) profits tax;

      (ii) salaries tax; and

      (iii) property tax;

   whether or not charged under personal assessment.

2. This Agreement shall also apply to any identical taxes imposed after the date of signature of this Agreement in addition to or in place of the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes if the competent authorities of the Contracting Parties so agree in

writing. The competent authorities of the Contracting Parties shall notify each other of any substantial changes to the taxation and related information gathering measures covered by this Agreement.

ARTICLE 4

Definitions

1. For the purposes of this Agreement, unless otherwise defined:

(a) the term "Contracting Party" means the United States or the Hong Kong Special Administrative Region as the context requires;

(b) the term "competent authority" means:

(i) in the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) in the case of the Hong Kong Special Administrative Region, the Commissioner of Inland Revenue or his authorized representative;

(c) the term "person" includes an individual, a company and any other body of persons;

(d) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

(e) the term "publicly traded company" means any company whose principal class of shares is listed on a recognized stock exchange if the purchase or sale of its listed shares is

not implicitly or explicitly restricted to a limited group of investors;

(f) the term "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;

(g) the term "recognized stock exchange" means any stock exchange agreed upon by the competent authorities of the Contracting Parties;

(h) the term "public collective investment fund or scheme" means any pooled investment vehicle, irrespective of legal form, if the purchase, sale or redemption of the units, shares or other interests in the investment vehicle is not implicitly or explicitly restricted to a limited group of investors;

(i) the term "tax" means any tax to which this Agreement applies and does not include customs duties;

(j) the term "applicant Party" means the Contracting Party requesting information;

(k) the term "requested Party" means the Contracting Party requested to provide information;

(l) the term "information gathering measures" means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;

(m) the term "information" means any fact, statement or record in any form whatever; and

(n) the term "geographic area of jurisdiction" means:

(i) in the case of the United States, the territory of the United States of America, including American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands and any other U.S. possession or territory; and

(ii) in the case of the Hong Kong Special Administrative Region, the geographic area of jurisdiction within which the tax laws of the Hong Kong Special Administrative Region of the People's Republic of China apply.

2. As regards the application of this Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires or the competent authorities agree to a common meaning pursuant to the provisions of Article 9 (Mutual Agreement Procedure), have the meaning that it has at that time under the law of that Party, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

ARTICLE 5

Exchange of Information Upon Request

1. The competent authority of the requested Party shall provide information for the purposes referred to in Article 1 (Object and Scope of this Agreement) upon request by the competent authority of the applicant Party. Such information shall be exchanged without regard to whether the requested Party needs such information for its own tax purposes or whether the conduct being

investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the requested Party.

2. If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, the requested Party shall use all relevant information gathering measures to provide the applicant Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes. In the execution of a request by the requested Party, only those privileges under the laws and practices of the requested Party shall apply.

3. If specifically requested by the competent authority of the applicant Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under its internal laws, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Contracting Party shall ensure that its competent authority, for the purposes specified in Article 1 (Object and Scope of this Agreement) of this Agreement, has the authority to obtain and provide upon request:

   (a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees; and

   (b) information regarding the ownership of companies, partnerships, trusts, foundations, "Anstalten" and other persons, including, within the constraints of Article 2 (Jurisdiction), ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries; and in the case of

foundations, information on founders, members of the foundation council and beneficiaries.

Notwithstanding subparagraph 4(b), this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties to the requested Party.

5. The competent authority of the applicant Party shall provide the following information to the competent authority of the requested Party when making a request for information under this Agreement to demonstrate the foreseeable relevance of the information to the request:

(a) the identity of the person or ascertainable group or category of persons under examination or investigation;

(b) a statement of the information sought, including its nature and the form in which the applicant Party wishes to receive the information from the requested Party;

(c) the period of time with respect to which the information is requested;

(d) the tax purpose for which the information is sought including the tax type of the applicant Party;

(e) grounds for believing that the information requested is foreseeably relevant to tax administration or enforcement of the applicant Party with respect to the person or group or category of persons identified in subparagraph 5(a);

(f) grounds for believing that the information requested is held in the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;

(g) to the extent known, the name and address of any person believed to be in possession or control of the requested information;

(h) a statement that the request is in conformity with the law and administrative practices of the applicant Party, that if the requested information was within the jurisdiction of the applicant Party then the competent authority of the applicant Party would be able to obtain the information under the laws of the applicant Party or in the normal course of administrative practice and that it is in conformity with this Agreement; and

(i) a statement that the applicant Party has pursued all means available in its geographic area of jurisdiction to obtain the information, except those that would give rise to disproportionate difficulties.

ARTICLE 6

Possibility of Declining a Request

1. The requested Party shall not be required to obtain or provide information that the applicant Party would not be able to obtain under its own laws for purposes of the administration or enforcement of its own tax laws. The competent authority of the requested Party may decline to assist where the request is not made in conformity with this Agreement. The competent authority of the requested Party may decline to assist where the applicant Party has not pursued all means available in its

geographic area of jurisdiction to obtain the information, except those that would give rise to disproportionate difficulties.

2. The provisions of this Agreement shall not impose on a Contracting Party the obligation to supply information that would disclose any trade, business, industrial, commercial or professional secret or trade process. Notwithstanding the foregoing, information of the type referred to in Article 5 (Exchange of Information upon Request), paragraph 4 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.

3. The provisions of this Agreement shall not impose on a Contracting Party the obligation to obtain or provide information that would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:

   (a) produced for the purposes of seeking or providing legal advice; or

   (b) produced for the purposes of use in existing or contemplated legal proceedings.

4. The requested Party may decline a request for information if the disclosure of the information would be contrary to public policy (ordre public).

5. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

ARTICLE 7

Confidentiality

Any information received by a Contracting Party under this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other person, entity, authority or jurisdiction.

ARTICLE 8

Costs

Unless the competent authorities of the Contracting Parties otherwise agree, ordinary costs incurred in providing assistance shall be borne by the requested Party and extraordinary costs incurred in providing assistance shall be borne by the applicant Party.

ARTICLE 9

Mutual Agreement Procedure

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of this Agreement, the competent authorities shall endeavor to resolve the matter by mutual agreement.

3. If the Agreement is terminated, both Contracting Parties shall remain bound by the provisions of Article 7 (Confidentiality) with respect to any information obtained under the Agreement.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Hong Kong in duplicate, in the English language, this 25th day of March, 2014.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA:

2. The competent authorities may adopt and implement procedures to facilitate the implementation of this Agreement.

3. The competent authorities of the Contracting Parties may communicate with each other directly for purposes of reaching a mutual agreement under this Article.

ARTICLE 10

Entry Into Force

This Agreement shall enter into force on the date of the Hong Kong Special Administrative Region's written notification to the United States that the Hong Kong Special Administrative Region has completed its necessary internal procedures for entry into force of this Agreement. The provisions of this Agreement shall have effect for requests made on or after the date of entry into force, in respect of any period that starts on or after the date of entry into force, and for all charges to tax arising on or after the date of entry into force.

ARTICLE 11

Termination

1. The Agreement shall remain in force until terminated by a Contracting Party.

2. Either Contracting Party may terminate the Agreement by giving notice of termination in writing to the other Contracting Party. Such termination shall become effective on the first day of the month following the expiration of a period of six months after the date of the notice of termination.

PROTOCOL
TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA FOR THE EXCHANGE OF INFORMATION RELATING TO TAXES

On the signing today of the Agreement between the Government of the United States of America and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the Exchange of Information Relating to Taxes ("the Agreement"), the two Governments have agreed to the following:

1. With reference to subparagraph (n)(ii) of paragraph 1 of Article 4 (Definitions) of the Agreement, the Government of the Hong Kong Special Administrative Region of the People's Republic of China notes that the "geographic area of jurisdiction" within which the tax laws of the Hong Kong Special Administrative Region of the People's Republic of China apply includes the Shenzhen Bay Port Hong Kong Port Area.

2. With reference to Article 7 (Confidentiality) of the Agreement, in the case of the United States, the competent authority may disclose information received under the Agreement to administrative bodies that are authorized to review tax return information under its domestic confidentiality laws, including bodies whose duties include auditing the tax authority (the Treasury Inspector General for Tax Administration and the congressional Government Accountability Office) and bodies whose duties require inquiries into tax administration for planning tax law enactments and implementation and proposing tax law changes (the Office of the Treasury Assistant Secretary for Tax Policy and the tax-writing committees in Congress).

This Protocol shall enter into force on the date of entry into force of the Agreement and shall form an integral part of the Agreement.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Protocol.

Done at Hong Kong in duplicate, in the English language, this 25th day of March, 2014.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA: