

## **Taiwan-Macao Double Taxation Avoidance Agreement on Aviation Businesses Takes Effect on December 29, 2017**

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MAC Press Release No. 2

The Mainland Affairs Council (MAC) stated that the procedure of mutual written notification for the Taiwan-Macao Double Taxation Avoidance Agreement on Aviation Businesses signed between Taiwan and Macao in December 2015 was completed on December 29, 2017. The agreement came into effect on the same day and will apply to income, profit, or earnings for the income year starting on January 1, 2018.

The MAC explained that the agreement and supporting provisions in the draft amendments to Article 29-1 of the Act Governing Relations with Hong Kong and Macao were deliberated and approved by the Legislative Yuan on November 7 and 28, 2017, respectively. The MAC promptly thereafter arranged related enactment procedures according to enactment provisions under the agreement. The MAC indicated that implementation of the agreement will enable Taiwan and Macao to establish a long-term institutionalized mutual tax relief mechanism, provide a more favorable business environment for the air transport industries in Taiwan and Macao, and promote the development of aviation enterprises on both sides.