Article 22
ELIMINATION OF DOUBLE TAXATION

1. Subject to the provisions of the laws of the Hong Kong Special Administrative Region relating to the allowance of a credit against Hong Kong Special Administrative Region tax of tax paid in a jurisdiction outside the Hong Kong Special Administrative Region (which shall not affect the general principle of this Article), Japanese tax paid under the laws of Japan and in accordance with this Agreement, whether directly or by deduction, in respect of income derived by a person who is a resident of the Hong Kong Special Administrative Region from sources in Japan, shall be allowed as a credit against Hong Kong Special Administrative Region tax payable in respect of that income, provided that the credit so allowed does not exceed the amount of Hong Kong Special Administrative Region tax computed in respect of that income in accordance with the tax laws of the Hong Kong Special Administrative Region.

2. Subject to the provisions of the laws of Japan regarding the allowance as a credit against Japanese tax of tax payable in any country other than Japan, where a resident of Japan derives income from the Hong Kong Special Administrative Region which may be taxed in the Hong Kong Special Administrative Region in accordance with the provisions of this Agreement, the amount of Hong Kong Special Administrative Region tax payable in respect of that income shall be allowed as a credit against the Japanese tax imposed on that resident. The amount of credit, however, shall not exceed that part of the Japanese tax which is appropriate to that income.

3. For the purposes of the preceding paragraphs of this Article, income beneficially owned by a resident of a Contracting Party which may be taxed in the other Contracting Party in accordance with the provisions of this Agreement shall be deemed to arise from sources in that other Contracting Party.

Article 23
NON-DISCRIMINATION

1. Persons who have the right of abode or are incorporated or constituted in the Hong Kong Special Administrative Region, or who are nationals of Japan, shall not be subjected in the other Contracting Party to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which persons who are in the same circumstances, in particular with respect to residence, and, where that other Contracting Party is the Hong Kong Special Administrative Region, have the right of abode or are incorporated or constituted therein or, where that other Contracting Party is Japan, are nationals of Japan, are or may be subjected. The provisions of this paragraph shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting Parties.

2. Stateless persons who are residents of a Contracting Party shall not be subjected in either Contracting Party to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which persons who are in the same circumstances, in particular with respect to residence, and have the right of abode in the Hong Kong Special Administrative Region or are nationals of Japan, are or may be subjected.

3. The taxation on a permanent establishment which an enterprise of a Contracting Party has in the other Contracting Party shall not be less favourably levied in that other Contracting Party than the taxation levied on enterprises of that other Contracting Party carrying on the same activities. The provisions of this paragraph shall not be construed as obliging a Contracting Party to grant to residents of the other Contracting Party any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Except where the provisions of paragraph 1 of Article 9, paragraph 8 of Article 11, paragraph 6 of Article 12 or paragraph 3 of Article 21 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting Party to a resident of the other Contracting Party shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned Contracting Party.