



## Hong Kong Tax Newsflash

### Hong Kong-Maldives tax treaty signed

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Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Maldives on 26 May 2025. Maldives is one of the economies participating in the Belt and Road Initiative. This is the 52<sup>nd</sup> CDTA concluded by HK.

Below is a comparison of the withholding tax rates applicable to dividends, interest and royalties, under the respective domestic tax law and the HK-Maldives CDTA:

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95% / 16.5% <sup>1</sup>
Maldives non-CDTA rate	10%	0% / 10% <sup>2</sup>	10%
HK-Maldives CDTA rate	5% / 10% <sup>3</sup>	0% / 10% <sup>4</sup>	10%

In addition to the provision of more beneficial withholding tax rates applicable to dividends, the CDTA provides beneficial treatment on capital gains. For example, capital gains derived by a HK investor from the disposal of shares in a Maldives company (except land-rich<sup>5</sup>) are generally exempt from tax in Maldives under the CDTA.

The HK-Maldives CDTA will come into force after the completion of ratification procedures by both jurisdictions. The CDTA can be downloaded from this [link](#).

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<sup>1</sup> The 4.95% rate generally applies. If the royalty is paid to an associated entity and the intellectual property has been owned by a person carrying on business in HK, 16.5% applies. If the taxpayer is eligible for two-tiered tax rates, 2.475% (or 8.25% if higher rate) applies on the first HKD 2 million of assessable profits and 4.95% (or 16.5% if higher rate) on the remaining amount.

<sup>2</sup> The 10% rate generally applies. If the interest is paid to a bank or non-banking financial institution approved by the Commissioner General of Taxation, 0% applies.

<sup>3</sup> 5% if the beneficial owner is a company which holds directly at least 25% of the capital of the company paying the dividends throughout a 365-day period; 10% in all other cases.

<sup>4</sup> 0% if it is paid to the Government of Maldives / HK, the HK Monetary Authority, the Exchange Fund of HK, the Maldives Monetary Authority, or any entity wholly or mainly owned by the Government of Maldives / HK as may be agreed from time to time between the competent authorities of both jurisdictions; otherwise, the rate will be 10%.

<sup>5</sup> A company deriving more than 50% of its value directly or indirectly from immovable property situated in Maldives during the 365 days preceding the disposal.

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