



Hong Kong Tax Newsflash

Hong Kong-Jordan tax treaty signed

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Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Jordan on 4 September 2025. Jordan is one of the economies participating in the Belt and Road Initiative. This is the 53rd 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-Jordan CDTA:

	Dividends	Interest	Royalties
HK non-CDTA rate	0%	0%	4.95% / 16.5% ¹
Jordan non-CDTA rate	0%	7% / 10% ²	10%
HK-Jordan CDTA rate	0% / 5% ^{3,4}	0% / 5% ⁴	5%

In addition to the provision of more beneficial withholding tax rates, the CDTA provides beneficial treatment on capital gains. For example, capital gains derived by a HK investor from the disposal of shares in a Jordan company are generally exempt from tax in Jordan under the CDTA, unless the company is land-rich⁵. Nevertheless, under certain circumstances⁶ (e.g., the shares of the land-rich company are listed, the land-rich company holds a building which is used by the company as its office etc.), the capital gains from the disposal of such a land-rich company may still be exempt from tax in Jordan.

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

¹ 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.

² The 10% rate generally applies. A 7% rate applies to interest from deposits, commissions, and profit participations of Islamic banks in the investment of such deposits, when paid to banks and financial institutions, licensed companies permitted to accept deposits, and specialized lending institutions in Jordan.

³ As the CDTA rate is higher than the current non-CDTA rate, the current non-CDTA rate would generally apply.

⁴ 0% if it is paid to the Government of Jordan / HK, the HK Monetary Authority, the Exchange Fund of HK, the Central Bank of Jordan, or any entity wholly or mainly owned by the Government of Jordan / HK as may be agreed from time to time between the competent authorities of both jurisdictions; otherwise, the rate will be 5%.

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

⁶ Circumstances under which gains from alienation of shares or comparable interests in land-rich entities shall be taxable only in the location of the taxpayer's residence are:

- (a) shares quoted on a stock exchange agreed upon by the competent authorities of HK and Jordan; or
- (b) shares alienated or exchanged in the framework of a corporate reorganisation, such as a merger, demerger (scission), or similar operation; or
- (c) shares in a company deriving more than 50% of its value from immovable property in which it carries on its business.

Once the CDTA enters into force, the [HK-Jordan Air Services Income Agreement](#), which provides similar exemptions for the operation of aircraft in international traffic as those under Article 8 of the CDTA, will cease to have effect.

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Authors

Doris Chik

Tax Partner

+852 2852 6608

dchik@deloitte.com.hk

Carmen Cheung

Senior Tax Manager

+852 2740 8660

carmcheung@deloitte.com.hk

Kiwi Fung

Tax Manager

+852 2258 6162

kifung@deloitte.com.hk

For more information, please contact:

Tax & Business Advisory

Southern Region Leader

Jennifer Zhang

Tax Partner

+852 2258 6228

jennifzhang@deloitte.com.hk

Hong Kong Leader

Anthony Lau

Tax Partner

+852 2852 1082

antlau@deloitte.com.hk

International and M&A Tax Services

National Leader

Vicky Wang

Tax Partner

+86 21 6141 1035

vicwang@deloittecn.com.cn



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