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Hong Kong Tax Newsflash

Hong Kong-Rwanda tax treaty signed

Hong Kong | Tax & Business Advisory | 10 October 2025 | Issue 252

Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Rwanda on 9 October 2025. Rwanda is one of the economies participating in the Belt and Road Initiative. This is the 54th CDTA concluded by HK.

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

	Dividends	Interest	Royalties	Technical fees
HK non-CDTA rate	0%	0%	4.95% / 16.5%[1]	0%
Rwanda non-CDTA rate	15%	15%	15%	15%
HK-Rwanda CDTA rate	0% / 7.5%[2]	0% / 8%[2]	9%	10%

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 Rwanda company are generally exempt from tax in Rwanda under the CDTA, unless the company is land-rich[3]. Nevertheless, under certain circumstances[4] (e.g., the shares of the land-rich company are listed, the shares are disposed under a corporate reorganisation etc.), the capital gains from the disposal of such a land-rich company may still be exempt from tax in Rwanda.

The HK-Rwanda 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] 0% if it is paid to the Government of Rwanda / HK, the HK Monetary Authority, the Exchange Fund of HK, Rwanda Social Security Board, Agaciro Development Fund, National Bank of Rwanda, Rwanda National Investment Trust Ltd, Development Bank of Rwanda, or any entity wholly or mainly owned by the Government of Rwanda / HK as may be agreed from time to time between the competent authorities of both jurisdictions; otherwise, the rate will be 7.5% (for dividends) / 8% (for interest).

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

[4] Circumstances under which gains from disposal of shares 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 Rwanda; or
(b) shares disposed or exchanged in the framework of a corporate reorganisation, such as a merger, demerger (scission), or similar operation.

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