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Hong Kong Tax Newsflash
Hong Kong-Nigeria tax treaty signed

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Hong Kong SAR (HK) signed a Comprehensive Double Tax Agreement (CDTA) with Nigeria on 13 July 2026. Nigeria is one of the economies participating in the Belt and Road Initiative. This is the 59th CDTA concluded by HK.

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

	Dividends	**Interest**	**Royalties**	**Fees for technical services**
HK non-CDTA rate	0%	0%	4.95% / 16.5%[1]	0%
Nigeria non-CDTA rate	10%	0% / 2.25% / 10%[2]	10%	10%
HK-Nigeria CDTA rate	7.5%	7.5%	7.5%	10%

The CDTA also provides beneficial treatment on capital gains. Capital gains derived by a HK investor from the disposal of shares in a Nigeria company are generally exempt from tax in the Nigeria under the CDTA, unless the company is land-rich[3].

The HK-Nigeria 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. The rate for interest on loans obtained from foreign lenders may be reduced to 2.25% where the lender is not a resident of a treaty country and where the terms of the loan meet the prescribed conditions. Certain interest payments are exempt from withholding tax, e.g., interest on loans granted for agricultural business or trade, interest earned on bonds issued by the federal government of Nigeria.

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

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