



PARKER RANDALL INTERNATIONAL

# WORLDWIDE TAX GUIDE 2017/18

A LEADING GLOBAL NETWORK OF AUDIT, TAX AND ADVISORY FIRMS



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# About this guide

**The Parker Randall International tax and economic fact sheet has been compiled with the help of members operating in a number of different countries around the world. Together, we have created an overview of tax rates for 2017/2018 that may be important or useful to you as well as highlighting the potential implications for individuals and corporations.**

The information provided for corporations relates to local and foreign companies and their associated branches. While for individuals, the details focus on residents and non-residents. As you will see on the pages overleaf, we have given a fact sheet of basic economic information and a summary of applicable tax rates from each of the nominated countries. The guidelines column give more detailed information relating to the country in the table.

We'd like to take this opportunity to thank the firms that contributed to this guide and made it possible by providing up-to-date, accurate and helpful information. As I'm sure you will appreciate, without those members spending the time gathering these facts, The Parker Randall International tax and economic fact sheet would not be possible.

It's important to remember that although everyone involved has provided information to the best of their knowledge and ability, this is only a guide. The facts included in this document were correct at the time of printing but understandably, information of this nature changes from time to time. Therefore you are advised to use this document as a base, from which we recommend further research and investigation.

One of the key benefits of being a member of Parker Randall International is that you can lean on the many firms within our network when you need to draw upon their skills and knowledge. If there are any in-depth taxation issues you are dealing with in another country, we would encourage you to speak to an appropriate organisation or adviser in that region.

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## ALBANIA

Capital: Tirana Population: 2,876,000

**GDP:** \$11.93 billion

### GDP by sector:

- Agriculture 21.6%
- Industry 14.9%
- Services 63.5%

**Corporate tax rate:** 15%

**VAT standard rate:** 20%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 90

### Important Tax Guidelines

- Resident companies are subject to tax on their globally-earned income and non-residents to profits generated through a permanent establishment or from other Albanian sources.
- The corporate tax rate is 15% for companies with turnover exceeding ALL8 million. A reduced rate of 7.5% applies to small businesses with a turnover between ALL2 and ALL8 million.
- Capital gains are subject to tax rate of 15% and losses are deductible for tax purposes.
- Foreign tax on income and gains of a resident company may be credited against the corporate tax liability.
- Personal income tax is payable by residents and non-residents. Income from employment is taxed progressively and varies from 0% to 23%.



## AUSTRIA

Capital: Vienna Population: 8,747,000

**GDP:** \$386.4 billion

### GDP by sector:

- Agriculture 1.7%
- Industry 32.3%
- Services 65.8%

**Corporate tax rate:** 25%

**VAT standard rate:** 20%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil or 25 / Nil or 25 / Nil
- Non Resident: 25 / Nil / 20

**Ease of doing business rank:** 18

### Important Tax Guidelines

- The globally-earned income of resident companies is subject to tax while non-resident companies are taxed on income from an Austrian permanent establishments or other Austrian sourced income.
- All companies, including those incurring tax losses, are subject to a minimum tax.
- Group losses may be offset against profits in certain circumstances. Losses incurred by non-Austrian members of the group may also be utilised.
- Capital gains are treated as ordinary business income and taxed at 25% corporate income tax rate.
- Foreign tax relief is available under various double taxation treaties. These may either exempt foreign-sourced income or grant a credit against Austrian tax for foreign taxes paid on the same income or gain.
- A 25% withholding tax on dividends is levied unless a double taxation treaty allows.
- Austrian residents (including individuals on a 6 month stay) are taxed on their globally-earned income. Non-residents are taxed on Austrian-sourced income.





**BELARUS**

Capital: Minsk Population: 9,507,000

<b>GDP:</b>	\$47.43 billion
<b>GDP by sector:</b>	
• Agriculture	9.1%
• Industry	47.2%
• Services	43.7%
<b>Corporate tax rate:</b>	18%
<b>VAT standard rate:</b>	20%
<b>Withholding tax rate</b> (Dividends/Interest/Royalties) :	
• Resident:	N/A
• Non Resident:	12 / 10 / 15
<b>Ease of doing business rank:</b>	50

**Important Tax Guidelines**

- The standard corporate profits tax rate is 18% with reduced tax rates applicable to certain types of income such as profits from high-technology products.
- Capital gains from sale of shares are taxed at 9% and 12% for non-residents without a permanent establishment.
- Foreign tax relief is available as a credit for foreign tax paid by, or withheld from a Belarusian taxpayer.
- A personal income tax at a flat rate of 13% is generally applied to income from Belarus and foreign sources.



**BELGIUM**

Capital: Brussels Population: 11,350,000

<b>GGDP:</b>	\$466.4 billion
<b>GDP by sector:</b>	
• Agriculture	0.8%
• Industry	21.1%
• Services	78.1%
<b>Corporate tax rate:</b>	33.99%
(broken down as 33% + 3% surcharge)	
<b>VAT standard rate:</b>	21%
<b>Withholding tax rate</b> (Dividends/Interest/Royalties) :	
• Resident:	30 / 30 / 30
• Non Resident:	30 / 30 / 30
<b>Ease of doing business rank:</b>	38

**Important Tax Guidelines**

- A non-resident company (a legal branch or permanent establishment) is taxed on their Belgian-sourced income only.
- Belgium tax relief for eligible foreign-source profit is available for resident companies.
- Capital gains are considered ordinary business income and taxed at corporate income tax rates.
- Several withholding tax exemptions are available to investors, mainly non-residents and financial institutions.
- Individuals are not liable for asset tax or general capital gains tax.
- Personal income tax is calculated based on the tax base and charged on a sliding scale. Tax rates vary from 25% to 50%.
- A municipal tax is payable at 7% of total income tax payable for non-residents and between 0% and 9% for residents.



## BOSNIA

Capital: Sarajevo Population: 3,517,000

**GDP:** \$16.56 billion

### GDP by sector:

- Agriculture 7.8%
- Industry 26.8%
- Services 65.4%

**Corporate tax rate:** 10%

**VAT standard rate:** 17%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Bosnia and Herzegovina 5 / 10 / 10
- Republika Srpska Nil / 10 / 10
- Brcko District Nil / 10 / 10

**Ease of doing business rank:** 125

### Important Tax Guidelines

- Bosnia and Herzegovina consists of Federation of Bosnia and Herzegovina, Republika Srpska and the Brcko District administered by both.
- A resident is a legal entity registered in one of the 3 regions. In the Federation of Bosnia and Herzegovina this also includes companies whose management is located in the region.
- Capital gains are generally considered as profits and taxed at a rate of 10%.
- Personal income is taxed at a flat rate of 10% in all regions.



## BULGARIA

Capital: Sofia Population: 7,128,000

**GDP:** \$52.4 billion

### GDP by sector:

- Agriculture 5.1%
- Industry 27.5%
- Services 67.5%

**Corporate tax rate:** 10%

**VAT standard rate:** 20%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- EU resident: Nil / 5\* / 5\*
- Non Resident: 5 / 10 / 10

\*Nil to associated company

**Ease of doing business rank:** 37

### Important Tax Guidelines

- Corporate income tax is a 10% flat rate on taxable profit.
- Standard VAT rate is 20% with a reduced VAT rate of 9% for hotel accommodation services.
- Residents are taxed on their globally-earned income while Non-residents are taxed only on Bulgarian-sourced income.
- Inheritance tax is exempt if received by spouse, children and their descendants. Certain rates apply for other relatives.
- A flat tax rate of 10% generally applies to all personal income.



**CROATIA**

Capital: Zagreb Population: 4,171,000

**GDP:** \$50.43 billion

**GDP by sector:**

- Agriculture 4.2%
- Industry 26.6%
- Services 69.2%

**Corporate tax rate:** 20%

**VAT standard rate:** 25%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident (Corporate): Nil / Nil / Nil
- Resident (Individual): 12 / 40 / 25
- Non Resident: 12 / 15 / 15

**Ease of doing business rank:** 39

**Important Tax Guidelines**

- Capital gains from sale of assets are considered regular income and subject to corporate tax. Losses are tax-deductible.
- Foreign tax relief is available to resident companies via tax credit but should not exceed the Croatian tax payable on income.
- Double taxation relief is available through double taxation treaties with various countries.
- Personal income tax rates are progressive from 12% to 40%.



**CYPRUS**

Capital: Nicosia Population: 1,170,000

**GGDP:** \$19.80 billion

**GDP by sector:**

- Agriculture 2.3%
- Industry 10.4%
- Services 84.2%

**Corporate tax rate:** 12.5%

**VAT standard rate:** 19%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / Nil / 10
- Non Resident: Nil / 30 / Nil

**Ease of doing business rank:** 41

**Important Tax Guidelines**

- Corporate entities resident in Cyprus are subject to corporation tax on all their income.
- Branches managed and controlled from Cyprus are taxed as resident companies.
- Capital gains tax is applied when disposing immovable property and shares of companies owning these assets in Cyprus.
- Tax paid on overseas income in a non-treaty country is normally allowed as a deductible expense.
- Credit relief is available where a similar concession is given to Cyprus companies in the foreign base but must not exceed corporation tax.
- Resident individuals are subject to income tax on globally-earned income and non-residents are subject to income tax on Cyprus-sourced income only.
- Personal income tax rates are progressive from 20% to 35%.



## CZECH REPUBLIC

Capital: Prague Population: 10,560,000

**GDP:** \$192.9 billion

### GDP by sector:

- |               |       |
|---------------|-------|
| • Agriculture | 2.5%  |
| • Industry    | 37.5% |
| • Services    | 60.0% |

**Corporate tax rate:** 19%

**VAT standard rate:** 21%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- |                 |                |
|-----------------|----------------|
| • Resident:     | 15 / Nil / Nil |
| • Non Resident: | 15 / 15 / 15   |

**Ease of doing business rank:** 26

### Important Tax Guidelines

- Czech resident companies are subject to tax on all their globally-earned income.
- Non-resident companies are subject to tax on Czech-sourced income.
- VAT is applied to the provision of goods, transfer of real estate, provision of services and imports. Basic rate is 21% and with two lower rates of 15% and 10%.
- Credits for foreign income tax on overseas income are available to Czech resident taxpayers where a relevant double tax agreement exists.
- Land and buildings attract a real estate tax.
- The personal income tax rate is 15% and an additional 7% solidarity contribution applies to income from employment and entrepreneurial activity.



## DENMARK

Capital: Copenhagen Population: 5,731,000

**GDP:** \$306.1 billion

### GDP by sector:

- |               |       |
|---------------|-------|
| • Agriculture | 1.1%  |
| • Industry    | 23.4% |
| • Services    | 75.5% |

**Corporate tax rate:** 23.5%

**VAT standard rate:** 25%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- |                 |               |
|-----------------|---------------|
| • Resident:     | 27 / Nil / 25 |
| • Non Resident: | 27 / 25 / 25  |

**Ease of doing business rank:** 2

### Important Tax Guidelines

- Resident companies are subject to corporate income tax on Danish profits and to some extent on foreign-source income.
- Non-resident companies pay tax on local sourced income and income from branches of foreign companies.
- Companies within a group, Danish permanent establishments and properties of foreign subsidiaries, are subject to compulsory joint taxation.
- Relief is available for foreign tax applied on profits subject to Danish corporate tax if a treaty or unilateral agreement exists.
- A property tax is applied locally.
- Controlled Foreign Company legislation is in place to attribute profits of a foreign subsidiary to a Danish parent if its activities are mainly financial.
- Individuals resident in Denmark are taxable on globally-earned income, non-residents on Danish-sourced income only.
- Individuals are generally subject to different taxes comprising of state taxes, municipal tax, health tax, labour market tax, and church tax.



**ESTONIA** Capital: Tannin Population: 1,316,000

**GDP:** \$23.14 billion

**GDP by sector:**

- Agriculture 3.5%
- Industry 28.1%
- Services 68.4%

**Corporate tax rate:** 20% (undistributed profits are tax exempt)

**VAT standard rate:** 20%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident (Corporate): Nil / Nil / Nil
- Resident (Individual): Nil / 20 / 20
- Non Resident: Nil / Nil / 10

**Ease of doing business rank:** 11

**Important Tax Guidelines**

- Resident companies do not pay tax on their profits until they are distributed to shareholders.
- There is no separate capital gains tax. Gains derived by resident companies or branches of foreign companies are exempt until a distribution is made. Non-resident companies with a permanent establishment are taxed at 20%.
- Foreign tax relief is available through double tax agreements with most overseas jurisdictions.
- Withholding tax only applies to interest to the extent that it exceeds the open market rate.
- Individuals are taxed at a single, flat rate at 20%.



**FINLAND** Capital: Helsinki Population: 5,495,000

**GGDP:** \$236.8 billion

**GDP by sector:**

- Agriculture 2.5%
- Industry 26.9%
- Services 70.6%

**Corporate tax rate:** 20%

**VAT standard rate:** 24%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident\*: Nil / Nil / Nil
- Non Resident\*: 20 / Nil / 20

\* Corporate entity

**Ease of doing business rank:** 12

**Important Tax Guidelines**

- Resident companies are taxed on their globally-earned income and Non-resident companies are taxed on local sourced income at corporate tax rate of 20%
- Capital gains derived by companies from the disposal of business assets are treated as ordinary business income and taxed accordingly.
- Gains from the sale of shares are exempt from tax given certain conditions.
- Foreign tax relief is available via treaty. If no tax treaty exists a credit is granted against corporate income tax in the same year only.
- Corporations are taxed individually and no group consolidated tax returns are applicable.
- Individual residents are taxed on their globally-earned income at progressive tax rates for national tax and at a flat rate for municipal tax.



## FRANCE

Capital: Paris Population: 66,900,000

**GDP:** \$2.465 trillion

### GDP by sector:

- Agriculture 1.7%
- Industry 19.4%
- Services 78.8%

**Corporate tax rate:** 33%

**VAT standard rate:** 20%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 30 / Nil / 33.33

**Ease of doing business rank:** 34

### Important Tax Guidelines

- Foreign branch profits are exempt from corporate tax. French branches of foreign companies will generally only be taxed in France on French-sourced income.
- A minimum tax liability applies for all companies based on turnover even if it does not generate profits.
- Capital gains are considered ordinary income and exemptions apply under certain conditions.
- Foreign tax relief on dividends, royalties and interest is allowed if tax treaties exist.
- Withholding tax rate is dependent on status of the recipient and the terms of tax treaties.
- Land tax based on the rental value and residential tax are applicable.
- Income tax is applied at progressive rate, mitigated by a family quota system.
- Wealth tax is applied on globally-earned assets for French residents and French assets for non-residents.



## GEORGIA

Capital: Tbilisi Population: 3,719,000

**GDP:** \$14.33 billion

### GDP by sector:

- Agriculture 9.2%
- Industry 21.6%
- Services 68.3%

**Corporate tax rate:** 15%

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 5 / 5 / 5

**Ease of doing business rank:** 23

### Important Tax Guidelines

- Companies incorporated and tax resident in Georgia are subject to tax on their globally-earned income.
- Companies incorporated overseas are normally treated as non-resident and taxable on Georgian sourced income only or income from a permanent establishment.
- Companies must file individual tax returns and report their taxes separately. Consolidated tax returns are not permitted.
- Land and Property tax is administered locally.
- Individuals resident in Georgia are subject to personal income tax at 20% on their globally-earned income.
- Non-residents are subject to tax on Georgian sourced income only.



**GERMANY**

Capital: Berlin Population: 82,670,000

**GDP:** \$3.467 trillion

**GDP by sector:**

- Agriculture 0.6%
- Industry 30.3%
- Services 69.1%

**Corporate tax rate:** 15.825%

**VAT standard rate:** 19%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 25 / 25 / Nil
- Non Resident: 25 / 25 / 25 or Nil / Nil / Nil

**Ease of doing business rank:** 14

- Important Tax Guidelines**
- Resident companies and individuals are subject to tax on all of their income.
  - Non-resident companies are subject to tax on German-sourced income.
  - A trade tax on business income is applied depending on municipality.
  - Capital gains from business are taxed at the ordinary tax rate. Capital gains realised by a corporate shareholder on the sale of shares are tax free.
  - Capital gains realised by individuals or partnerships are added to annual income, have exemptions and roll-over reliefs available.
  - Tax on dividends is nil in certain conditions.
  - Personal and corporate income taxes carry a surcharge at the rate of 5.5% of the tax.



**GREECE**

Capital: Athens Population: 10,960,000

**GDP:** \$237.6 billion

**GDP by sector:**

- Agriculture 4.1%
- Industry 15.0%
- Services 80.9%

**Corporate tax rate:** 29%

**VAT standard rate:** 24%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / 15 / 20
- Non Resident: 15 / 15 / 20

**Ease of doing business rank:** 58

- Important Tax Guidelines**
- Resident corporations are subject to corporate income tax on their globally-earned income and gains.
  - Non-resident companies are liable for tax on income or capital gains from a permanent establishment.
  - Capital gains are added to a company's income unless specific rules apply for disposal.
  - Credit Relief is available for foreign taxes paid on overseas income.
  - A real estate tax is imposed as a percentage of the value of the property.
  - Personal income is taxed depending on the income source and income bracket.



## HUNGARY

Capital: Budapest Population: 9,862,000

**GGDP:** \$137.1 billion

### GDP by sector:

- Agriculture 3.5%
- Industry 31.8%
- Services 64.7%

**Corporate tax rate:** 19%

**VAT standard rate:** 27%

### Withholding tax rate (Dividends/Interest/Royalties):

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 40

### Important Tax Guidelines

- Resident companies are taxed on their globally-earned income.
- A company is resident in Hungary if it is incorporated or has its place of management there.
- Non-residents are taxed on income of the branch or permanent establishment.
- Standard corporate tax rate is 19% with 10% applied to the first HUF500 million of taxable income.
- Capital gains of companies are considered income and taxed accordingly.
- There are a range of tax incentives for investment, including SMEs.
- Individuals resident in Hungary are taxed on their globally-earned income. Personal income tax is at a flat rate of 16%.



## ICELAND

Capital: Reykjavik Population: 334,252

**GDP:** \$20.05 billion

### GDP by sector:

- Agriculture 5.9%
- Industry 20.4%
- Services 73.4%

**Corporate tax rate:** 20%

**VAT standard rate:** 24%

### Withholding tax rate: (Dividends/Interest/Royalties)

- Resident: 20 / 20 / Nil
- Non Resident: 18 / 10 / 20

**Ease of doing business rank:** 12

### Important Tax Guidelines

- Resident companies are taxed on their globally-earned income and Non-residents are taxed on income from local sources.
- A corporate tax rate of 36% applies to partnerships.
- Capital gains resulting from profits derived from sales of assets are included in ordinary income and taxed at the normal income tax rates.
- Relief for double taxation is available under a tax treaty or unilaterally through a tax credit against Icelandic income tax.
- Personal income is taxed progressively from 22.86% to 31.8%. The municipal income tax withheld at source is 14.44% but varies from 12.44% to 14.52%.





**IRELAND**

Capital: Dublin Population: 4,773,000

**GDP:** \$294.1 billion

**GDP by sector:**

- Agriculture 1.0%
- Industry 41.3%
- Services 57.6%

**Trading corporate tax rate:** 12.5%

**Non-trading corporate tax rate:** 25%

**VAT standard rate:** 23%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / 20 / 20
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 15

**Important Tax Guidelines**

- Resident companies are taxed on income and capital gains derived from all sources.
- Non-resident companies are taxed on Irish sourced income and income or gains from a branch or agency in Ireland.
- Capital gains are generally taxed at 20%.
- Tax credit relief on foreign tax is available to companies.
- Individuals who are ordinarily resident and domiciled in Ireland are subject to income and capital gains tax on globally-earned income and gains.
- Irish nationals who are considered not ordinarily resident and individuals who are resident but not domiciled in Ireland, are taxed on a remittance basis on overseas income and gains.



**ITALY**

Capital: Rome Population: 60,600,000

**GDP:** \$1.85 trillion

**GDP by sector:**

- Agriculture 2.2%
- Industry 23.9%
- Services 73.8%

**Corporate tax rate:** 31.4%

**VAT standard rate:** 22%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / Nil or 26 / Nil
- Non Resident: 26 / 26 / 30

**Ease of doing business rank:** 50

**Important Tax Guidelines**

- Capital gains are taxable as normal business income.
- Credit relief for foreign tax may be applied to the corporate income tax liability if the same applies in the overseas territory.
- Individuals carrying on a business or profession and/or partnerships are liable to regional income tax which is not deductible from personal income tax.
- Residents and non-residents are subject to different personal income tax rates with the liability calculated at a progressive rate.



## LATVIA

Capital: Riga Population: 1,960,000

**GGDP:** \$27.68 billion

### GDP by sector:

- Agriculture 3.3%
- Industry 23.2%
- Services 73.6%

**Corporate tax rate:** 15%

**VAT standard rate:** 21%

### Withholding tax rate (Dividends/Interest/Royalties):

- Resident: N/A
- Non Resident: Nil / Nil / Nil
- Non Resident: 15 or 30 / 5 or 15 / 15

**Ease of doing business rank:** 14

### Important Tax Guidelines

- Resident companies are subject to corporate income tax on globally-earned income.
- Non-residents are subject to tax on income earned in Latvia and globally-earned income attributable to local branches.
- Capital gains of companies are considered ordinary business income and taxed accordingly.
- Credit relief for foreign income tax may be offset against the corporate tax liability.



## LITHUANIA

Capital: Vilnius Population: 2,872,000

**GDP:** \$42.74 billion

### GDP by sector:

- Agriculture 3.3%
- Industry 30.4%
- Services 66.4%

**Corporate tax rate:** 15%

**VAT standard rate:** 21%

### Withholding tax rate: (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 15 / 10 / 10

**Ease of doing business rank:** 21

### Important Tax Guidelines

- The standard profit tax rate is 15% and a 5% rate applies to smaller entities.
- Capital gains are included in taxable profit and are subject to tax at the regular profit tax rate.
- A foreign tax credit may be claimed, an amount not exceeding the amount of Lithuanian profit tax payable on the foreign income. Certain rules apply to particular types of income.
- The Personal income tax rate is 15% with monthly and annual tax exempt amounts applied to residents and only an annual exemption to non-residents.



## LUXEMBOURG

Capital: Luxembourg City Population: 589,972

**GDP:** \$59.95 billion

**GDP by sector:**

- Agriculture 0.3%
- Industry 13.4%
- Services 86.8%

**Corporate tax rate:** 29.22%

**VAT standard rate:** 17%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / Nil / Nil
- Non Resident: 15 / Nil / Nil

**Ease of doing business rank:** 59

**Important Tax Guidelines**

- Resident companies are subject to tax on their globally-earned income.
- Non-resident companies are taxable on certain locally sourced income.
- Capital gains are in principle regarded as ordinary business income and are taxed accordingly, except where exemptions and roll-over relief is applicable.
- Pooling of profits and losses of group companies is allowed in certain circumstances.
- Resident individuals pay tax on their globally-earned income.
- Non-resident individuals are only taxable on specific Luxembourg-sourced income.
- Personal income tax based on the individual's personal situation and is granted a tax class.



## MACEDONIA

Capital: Skopje Population: 2,081,000

**GDP:** \$10.90 billion

**GDP by sector:**

- Agriculture 11.2%
- Industry 26.3%
- Services 62.5%

**Corporate tax rate:** 10%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 10

**Important Tax Guidelines**

- N/A



## MALTA

Capital: Valletta Population: 436,947

**GDP:** \$10.95 billion

### GDP by sector:

- Agriculture 1.4%
- Industry 11.4%
- Services 87.2%

**Corporate tax rate:** 35%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / Nil or 25 / Nil
- Non Resident: Nil / Nil / Nil

**Ease of doing business rank:** 76

### Important Tax Guidelines

- Resident individuals and companies are subject to income tax on their globally-earned income and certain capital gains.
- Dividends paid by a Maltese company carry a tax credit equivalent to the tax paid by the company on distributed profits.
- Shareholders are taxed on the gross dividend but are entitled to tax credits of tax paid on distributed profits.
- Inheritance or wealth tax is not applicable.
- Individuals not ordinarily resident or not domiciled in Malta are subject to tax on their income arising in Malta and on their foreign income only if that is received in Malta.
- Foreign capital gains will not be taxable even if received in Malta.



## MOLDOVA

Capital: Chisinau Population: 3,552,000

**GDP:** \$6.75 billion

### GDP by sector:

- Agriculture 16.1%
- Industry 20.7%
- Services 63.2%

**Corporate tax rate:** 12%

**VAT standard rate:** 20%

### Withholding tax rate: (Dividends/Interest/Royalties)

- Resident: 6 / 15 / 15
- Non Resident: 6 / 15 / 15

**Ease of doing business rank:** 44

### Important Tax Guidelines

- Resident individuals and corporations are subject to income tax on their globally-earned income and non-residents on locally sourced income.
- The standard corporate tax rate is 12% with varying rates applying to farmers and individual entrepreneurs.
- A 6% withholding tax is imposed on dividends paid to non-residents and residents.
- Foreign tax relief is available to companies by claiming a credit against corporate income tax for foreign tax paid.



# MONTENEGRO

Capital: Podgorica Population: 622,781

**GDP:** \$4.173 billion

**GDP by sector:**

- Agriculture 8.3%
- Industry 21.2%
- Services 70.5%

**Corporate tax rate:** 9%

**VAT standard rate:** 19%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 9 / 9 / 9

**Ease of doing business rank:** 51

**Important Tax Guidelines**

- Resident companies are subject to tax on their globally-earned income.
- Non-residents are liable to pay tax on locally sourced income and income attributable to permanent establishments.
- Capital gains are treated as income and taxed at 9%.
- Losses can be carried forward for 5 years.
- Residents of Montenegro are subject to personal income tax on their globally-earned income.
- Non-residents are subject to income tax on their locally sourced income. Personal income tax rate is 15% on gross personal income above EUR 720 per month, and 9% on income below EUR 720 per month.



# NETHERLANDS

Capital: Amsterdam Population: 17,200,000

**GDP:** \$770.1 billion

**GDP by sector:**

- Agriculture 2.8%
- Industry 24.1%
- Services 73.2%

**Corporate tax rate:** 25%

**VAT standard rate:** 21%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / Nil / Nil
- Non Resident: 15 / Nil / Nil

**Ease of doing business rank:** 28

**Important Tax Guidelines**

- Residents and non-residents are subject to Corporation tax.
- Capital gains and losses are included in the company's general taxable income.
- A municipal tax is applied to companies and individuals on ownership of real estate based on market value. A transfer tax is liable on purchasers.
- Resident individuals are subject to personal income tax on their globally-earned income with relief on foreign taxes on foreign-sourced income.
- Non-residents are liable for personal income tax only on income derived from a limited number of domestic sources.



## NORWAY

Capital: Oslo Population: 5,233,000

**GDP:** \$391.00 billion

### GDP by sector:

- Agriculture 1.6%
- Industry 34.7%
- Services 63.5%

**Corporate tax rate:** 27%

**VAT standard rate:** 25%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 25 / Nil / Nil

**Ease of doing business rank:** 6

### Important Tax Guidelines

- Resident companies are subject to corporate tax on income from all sources.
- Non-resident companies pay tax on local sourced income.
- Capital gains and losses are treated as ordinary income (or loss) and taxed accordingly.
- Income tax is payable by residents on income derived from all sources. Non-residents pay tax on locally sourced income.



## POLAND

Capital: Warsaw Population: 37,950,000

**GDP:** \$467.0 billion

### GDP by sector:

- Agriculture 3.5%
- Industry 34.2%
- Services 62.3%

**Corporate tax rate:** 19%

**VAT standard rate:** 23%

### Withholding tax rate: (Dividends/Interest/Royalties)

- Resident: 19 / N/A / N/A
- Non Resident: 19 / 20 / 20

**Ease of doing business rank:** 24

### Important Tax Guidelines

- Resident companies and individuals are subject to tax on globally-earned income while non-residents are taxed only on locally derived income.
- Property tax and tax on the means of transport are charged as local taxes.
- Civil law activity tax applies to contracts of sale, lease or hire, loan agreements, and foundation deeds of a partnership.
- Foreign tax paid may be credited against Polish tax liability, up to the amount of domestic tax.



**PORTUGAL**

Capital: Lisbon Population: 10,320,000

**GDP:** \$204.6 billion

**GDP by sector:**

- Agriculture 2.4%
- Industry 23.1%
- Services 74.4%

**Corporate tax rate:** 21%

**VAT standard rate:** 23%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 25 / 25 / 25
- Non Resident: 25 / Nil or 25 / 25

**Ease of doing business rank:** 25

**Important Tax Guidelines**

- Resident corporations are subject to corporate income tax on globally-earned income while non-resident companies are liable to tax income attributed to a permanent establishment or locally sourced income.
- Capital gains are considered income and subject to corporate income tax with exemptions available in certain circumstances.
- Gross foreign-sourced income is included in taxable income. A unilateral credit for foreign tax suffered can be off set against the Portuguese corporate tax.
- Group relief is available where all companies in the group are resident in Portugal.
- There is a special tax regime for non-habitual resident taxpayers.



**ROMANIA**

Capital: Bucharest Population: 19,710,000

**GDP:** \$197.4 billion

**GDP by sector:**

- Agriculture 11.8%
- Industry 36.1%
- Services 52.1%

**Corporate tax rate:** 16%

**VAT standard rate:** 19%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 16 / 16 / 16
- Non Resident: 16 / 16 / 16

**Ease of doing business rank:** 36

**Important Tax Guidelines**

- Corporate income taxes are chargeable on resident companies as well as non-resident companies with a permanent establishment.
- Capital gains are generally treated as ordinary income and taxed accordingly.
- The withholding tax rates for non-residents can be reduced by applying the Parent-Subsidiary Directive or the Interest-Royalties Directive or a double taxation treaty.
- Residents and non-residents owning more than one building are subject to a real estate tax.
- Residents and certain non-residents are subject to individual income tax on their globally-earned income and capital gains.



## RUSSIA

Capital: Moscow Population: 144,300,000

**GGDP:** \$1.283 trillion

### GDP by sector:

- Agriculture 4.7%
- Industry 33.1%
- Services 62.2%

**Corporate tax rate:** 20%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 13 / N/A / N/A
- Non Resident: 15 / 20 / 20

**Ease of doing business rank:** 40

### Important Tax Guidelines

- The tax system is based on a combination of the federal, regional, and local taxes and levies.
- Capital gains are treated as ordinary business income and subject to corporate income tax.
- Individuals are considered to be resident if they spend more than 183 days in Russia during a continuous 12-month period.
- The personal income tax rate for residents and foreign highly skilled specialists is 13%.
- A special 35% rate is applied to some kinds of income, e.g. interest on certain bank deposits and deposits on foreign currency. All personal income of non-residents, excluding dividends, is taxed at the rate of 30%.



## SERBIA

Capital: Belgrade Population: 7,057,000

**GDP:** \$37.75 billion

### GDP by sector:

- Agriculture 7.7%
- Industry 25.2%
- Services 67.1%

**Corporate tax rate:** 15%

**VAT standard rate:** 20%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 20 / 20 / 20
- Non Resident: 20 / 25 / 25

**Ease of doing business rank:** 47

### Important Tax Guidelines

- Non-residents are taxed only on their income sourced through a permanent establishment in Serbia.
- A reduced VAT rate of 10% applies to certain hospitality-related and other goods and services.
- Capital gains are included in taxable income and are subject to tax at the regular corporate income tax rate.
- Foreign tax credit relief is available up to the amount of domestic tax payable on such income.
- Income tax is chargeable on all Serbian residents in respect of globally-earned income at various rates including 10% from wages, 15% from capital gains, 15% property and 20% on rental fees.





## SLOVAKIA

Capital: Bratislava Population: 5,419,000

<b>GDP:</b>	\$89.55 billion
<b>GDP by sector:</b>	
• Agriculture	3.6%
• Industry	31.6%
• Services	64.8%

<b>Corporate tax rate:</b>	22%
<b>VAT standard rate:</b>	20%
<b>Withholding tax rate</b> <small>(Dividends/Interest/Royalties) :</small>	
• Resident:	Nil / Nil or 19 / Nil
• Non Resident:	7, 19 or 35/ 19 or 35 / 19 or 35

<b>Ease of doing business rank:</b>	33
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### Important Tax Guidelines

- Capital gains are considered taxable income and taxed at the flat 22% tax rate.
- Dividends are neither subject to personal nor corporate income tax.
- Personal income tax is payable by permanent residents within the Slovak Republic individually on their globally-earned income.
- Non-residents are only subject to tax on Slovak-sourced income.
- Tax on personal income payable at the rate of 19% and 25% progressively.
- Owners of a building situated within the Slovak Republic are liable for an annual tax.
- There is no inheritance tax, gift tax or real estate transfer tax.



## SLOVENIA

Capital: Ljubljana Population: 2,065,000

<b>GDP:</b>	\$43.99 billion
<b>GDP by sector:</b>	
• Agriculture	2.2%
• Industry	35.0%
• Services	62.8%

<b>Corporate tax rate:</b>	17%
<b>VAT standard rate:</b>	22%
<b>Withholding tax rate</b> <small>(Dividends/Interest/Royalties) :</small>	
• Resident:	N/A
• Non Resident:	15 / 15 / 15

<b>Ease of doing business rank:</b>	30
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### Important Tax Guidelines

- Capital gains are included in a company's profits subject to corporate income tax.
- Under certain conditions 50% of gains derived from the disposal of shares are exempt.
- Foreign tax relief for double taxation is available via credit for overseas tax suffered on overseas income. The credit should not exceed the Slovenian tax on the income concerned.
- Withholding taxes do not apply to dividends distributed to persons where a common system of taxation.
- Resident individuals are subject to income tax on their globally-earned income.
- Non-residents are taxable on Slovenian source income.
- Personal Income Tax is calculated at the rates of 16%, 27%, 41% and 50%.



## SPAIN

Capital: Madrid Population: 46,560,000

**GGDP:** \$1.232 trillion

### GDP by sector:

- Agriculture 3.3%
- Industry 24.2%
- Services 72.6%

**Corporate tax rate 2015:** 28%

**VAT standard rate:** 21%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 19 / 19 / 19 or 24
- Non Resident: 19 / 19 / 19 or 24

**Ease of doing business rank:** 32

### Important Tax Guidelines

- Foreign branch profits of a Spanish company are liable to Spanish tax.
- Capital gains are treated as ordinary income and taxed accordingly.
- Property Transfer tax is levied on the transfer of movable property, at a rate of 4% of the value. The transfer of real estate is generally subject to VAT at 21%, reduced to 10% for private residential property.



## SWEDEN

Capital: Stockholm Population: 9,903,000

**GDP:** \$511.0 billion

### GDP by sector:

- Agriculture 1.8%
- Industry 26.9%
- Services 71.3%

**Corporate tax rate:** 22%

**VAT standard rate:** 25%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 30 / Nil / 22

**Ease of doing business rank:** 9

### Important Tax Guidelines

- Stamp duty of 4.25% is levied on real property, 1.5% if the buyer is an individual.
- Credit relief for foreign tax paid is available. In some cases, older double taxation conventions exempt foreign income from local tax if it is taxed abroad.
- Dividends paid to a non-resident shareholder are subject to a 30% withholding tax that may be reduced by Double Taxation Conventions.
- Dividends received from other Swedish companies are exempt from tax if the dividends derive from business-related holdings.
- Residents must pay tax on their globally-earned income at a national income tax rate and a municipal tax rate.
- Non-residents are subject to tax only on income from sources in Sweden at a flat rate of 20%.
- Capital income such as interest, dividends etc. is taxed separately from income from employment at a rate of 30%.



**SWITZERLAND** Capital: Berne Population: 8,372,000

**GDP:** \$659.8 billion

**GDP by sector:**

- Agriculture 1.3%
- Industry 27.7%
- Services 71.0%

**Corporate tax rate:** 11.5 - 24.2%

**VAT standard rate:** 8%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil or 35 / Nil / Nil
- Non Resident: 35 / Nil or 35 / Nil

**Ease of doing business rank:** 31

**Important Tax Guidelines**

- Foreign branch income of a Swiss corporation is exempt from Swiss taxation.
- Capital gains on real estate are aggregated with and taxed as part of ordinary income.
- Shareholders resident abroad may obtain relief on dividend tax of 35% under the appropriate double taxation treaty.
- A resident individual is subject to Swiss taxes on globally-earned income and net wealth, with the exception of income from investments in foreign permanent establishments and real estate situated abroad. Income tax rates are levied at 3 different levels (federal, cantonal and municipal). The tax rates are progressive at federal level and in most of the cantons.



**TURKEY** Capital: Ankara Population: 79,510,000

**GGDP:** \$857.7 billion

**GDP by sector:**

- Agriculture 8.6%
- Industry 27.1%
- Services 64.3%

**Corporate tax rate:** 20%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 15 / 10 / 20

**Ease of doing business rank:** 69

**Important Tax Guidelines**

- Corporations are regarded as either limited or full taxpayers. Full taxpayers are liable for tax on their globally-earned income. Limited taxpayers (a foreign company) are subject to tax on income derived in Turkey.
- Capital gains are normally regarded as ordinary business income and taxed accordingly.
- Interest paid for business purposes in an operational period may be deducted but it must be capitalized if it relates to the acquisition of a fixed asset.
- Individuals resident in Turkey are liable for income tax on their globally-earned income, but non-resident individuals are liable for income tax only on income earned in Turkey. Income tax is levied at progressive rates after certain deductions and allowances.



## UKRAINE

Capital: Kiev Population: 45,000,000

**GDP:** \$93.27 billion

### GDP by sector:

- Agriculture 9.9%
- Industry 29.6%
- Services 60.5%

**Corporate tax rate:** 18%

**VAT standard rate:** 20%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 80

### Important Tax Guidelines

- Companies generally pay corporate profit tax at a flat rate of 18%. Reduced rates of 0% or 3% apply to qualified insurance activities.
- Capital gains are included in taxable profit and generally taxed accordingly. Losses from trading in securities can be carried forward indefinitely to offset future income.
- Personal income tax is charged at a rate of 20% but varies are from 5% to 30% depending on the type and amount of income. All types of income subject to personal income tax are also subject to 1.5% military duty from 2015.
- Property tax rate is based on the size of the property and payable by companies and individuals.



## UNITED KINGDOM

Capital: London Population: 64,510,000

**GDP:** \$2.649 trillion

### GDP by sector:

- Agriculture 0.7%
- Industry 21.0%
- Services 78.3%

**Corporate tax rate:** 20%

**VAT standard rate:** 20%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / 20 / 20
- Non Resident: Nil / 20 / 20

**Ease of doing business rank:** 7

### Important Tax Guidelines

- Dividends received from UK companies are generally exempt from Corporation Tax.
- Dividends received from non-UK companies are also exempt on set conditions.
- Income and capital gains from sale of assets of non-resident companies are liable to corporation tax if they carry on a trade in the UK through a permanent entity.
- There is no withholding tax on dividends, wherever the recipient is based.



# AFRICA

Algeria	30	Madagascar	43
Angola	30	Malawi	43
Benin	31	Mali	44
Botswana	31	Mauritania	44
Burkina Faso	32	Mauritius	45
Cameroon	32	Morocco	45
Cape Verde	33	Mozambique	46
Chad	33	Namibia	46
Comoros	34	Niger	47
Congo	34	Nigeria	47
Djibouti	35	Rwanda	48
DR Congo	35	Sao Tome & Principe	48
Egypt	36	Senegal	49
Equatorial Guinea	36	Seychelles	49
Eritrea	37	Sierra Leone	50
Ethiopia	37	Somalia	50
Gabon	38	South Africa	51
Gambia	38	South Sudan	51
Ghana	39	Sudan	52
Guinea	39	Swaziland	52
Guinea Bissau	40	Tanzania	53
Ivory Coast	40	Togo	53
Kenya	41	Tunisia	54
Lesotho	41	Uganda	54
Liberia	42	Zambia	55
Libya	42	Zimbabwe	55



## ALGERIA

Capital: Algiers Population: 40,610,000

**GDP:** \$156.1 billion

### GDP by sector:

- Agriculture 8.4%
- Industry 61.1%
- Services 31.5%

**Corporate tax rate:** 26%

**VAT standard rate:** 17%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 10 / 10 / 24
- Non Resident: 15 / 10 / 24

**Ease of doing business rank:** 156

### Important Tax Guidelines

- Companies with a turnover exceeding 30 million Dinars are subjected to corporate income tax on profits arising from Algeria.
- All economic activities conducted in Algeria including handicraft, industrial activities and commercial professionals are subjected to Value Added Tax.
- Dividends from corporations are not subjected to withholding tax.
- Residents from countries that have double tax treaties with Algeria are relieved from foreign taxes.
- Personal income taxation is applied with progressive scale rates (marginal rate 35%).



## ANGOLA

Capital: Luanda Population: 28,810,000

**GDP:** \$89.63 billion

### GDP by sector:

- Agriculture 10.2%
- Industry 61.4%
- Services 28.4%

**Corporate tax rate:** 30%

**VAT standard rate:** N/A

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 10%
- Non Resident: 15%

**Ease of doing business rank:** 182

### Important Tax Guidelines

- Resident companies are taxed on their foreign income.
- Non-resident companies with permanent establishment trading in Angola are subjected to corporate tax.
- There is no double tax relief in Angola
- Oil and mining companies are subjected to special tax regime.
- Self-employed workers are taxed at a flat rate of 15% on their taxable income, owners of companies in individual names are taxed at a flat rate of 20% on their employment income, employees who are employed by others are charged progressively at a rate up to 17%.



## BENIN

Capital: Porto Novo Population: 10,870,000

**GDP:** \$8.583 billion

### GDP by sector:

- Agriculture 32.0%
- Industry 13.0%
- Services 55.0%

**Corporate tax rate:** 30%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 155

### Important Tax Guidelines

- N/A



## BOTSWANA

Capital: Gaborone Population: 2,250,000

**GGDP:** \$15.27 billion

### GDP by sector:

- Agriculture 1.9%
- Industry 35.7%
- Services 62.4%

**Corporate tax rate:** 22%

**VAT standard rate:** 12%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 7.5 / 10 / NA
- Non Resident: 7.5 / 15 / 15

**Ease of doing business rank:** 71

### Important Tax Guidelines

- All income sourced within Botswana is taxable.
- Capital gains tax apply to both companies and individuals.
- Individuals are taxed at a progressive scale while companies at a rate same as the corporate tax rate.
- Employee remuneration is taxed under a PAYE system every month. However there are other tax exemptions and tax free benefits available for individuals.



## BURKINA FASO

Capital: Ouagadougou Population: 18,650,000

**GDP:** \$12.12 billion

### GDP by sector:

- |               |       |
|---------------|-------|
| • Agriculture | 34.4% |
| • Industry    | 23.4% |
| • Services    | 42.2% |

**Corporate tax rate:** 27.5%

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- |                 |                  |
|-----------------|------------------|
| • Resident:     | 16.5 / 16.5 / 0  |
| • Non Resident: | 16.5 / 16.5 / 15 |

**Ease of doing business rank:** 146

### Important Tax Guidelines

- Both residents and non resident companies are subjected to corporate tax.
- There are exchange contract regulations.
- Branch repatriation tax is 12.5% for residents and 9.5 % for non-residents.
- There are no specific transfer pricing rules but general anti-avoidance rules require group transactions to be made at arm's length prices.



## CAMEROON

Capital: Yaoundé Population: 22,770,000

**GDP:** \$32.55 billion

### GDP by sector:

- |               |       |
|---------------|-------|
| • Agriculture | 19.7% |
| • Industry    | 31.9% |
| • Services    | 48.4% |

**Corporate tax rate:** 33%

**VAT standard rate:** 19.25%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- |                 |                   |
|-----------------|-------------------|
| • Resident:     | 16.5 / 16.5 / Nil |
| • Non Resident: | 16.5 / 16.5 / 15  |

**Ease of doing business rank:** 166

### Important Tax Guidelines

- All residents of Cameroon are taxed from income sourced worldwide; it's the sum of net income from various categories of revenue earned by the taxpayer within one fiscal year.
- Cameroon has tax treaties with Canada, France, Tunisia, and members of CEMAC (Cameroon, Gabon, Equatorial Guinea, Congo, Chad, and Central African Republic)
- The local branch of any foreign company is taxed at the same rate as a company, the withholding tax rate is 16.5%
- Property tax is payable annually on real estate with or without an ownership certificate or an administrative or judicial order issued. Tax is charged at 0.11% of the assessed property value.





## CAPE VERDE

Capital: Praia Population: 539,560

**GDP:** \$1.617 billion

### GDP by sector:

- Agriculture 9.2%
- Industry 16.5%
- Services 74.3%

**Corporate tax rate:** 25%

**VAT standard rate:** 15.5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / 20 / 20
- Non Resident: Nil / 20 / 20

**Ease of doing business rank:** 129

### Important Tax Guidelines

- Individual residents are subjected to income earned worldwide.
- Non-residents are only taxed on income acquired in Cape Verde.
- Individuals are subject to social security contribution on their gross income at 8%. The rate applies on the monthly earnings of all employees (excluding civil servants and public officials).
- Cape Verde has a tax treaty with Macau and Portugal.



## CHAD

Capital: Ndjamena Population: 14,450,000

**GGDP:** \$9.60 billion

### GDP by sector:

- Agriculture 52.7%
- Industry 6.7%
- Services 40.6%

**Corporate tax rate:** 35%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 20 / NA / NA
- Non Resident: 20 / Nil or 25 / 12.5 or 25

**Ease of doing business rank:** 180

### Important Tax Guidelines

- Social security contributions in Chad are due both by the employer and the employee. Employer contributions are 16.5% of the gross salary, employee contributions are 3.5% of the gross salary.
- Sales of products that are directly made by farmers, cattle farmers, or fishermen to consumers, farming, and fishing operations are exempted from VAT.
- Excise duty applies to goods of great consumption: cigarettes, drinks (water, beers, and wines), cosmetics, and luxury products, the rate ranges from 5% to 25%.
- The registration duty applies to certain deeds listed by the General Tax Code. The assessment basis depends on the nature of transactions, and the rate varies from 0.25% to 15%.



## COMOROS

Capital: Moroni Population: 795,601

**GDP:** \$616.7 million

**GDP by sector:**

- Agriculture 50.0%
- Industry 10.0%
- Services 40.0%

**Corporate tax rate:** 35%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 10 / 10 / 10
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 153

### Important Tax Guidelines

- Under the General Tax Code, corporate tax applies to Comoros-source income at a rate of 35 percent. However, corporate tax rises to 50 percent if a company's turnover exceeds KMF 500 million.
- There is an annual tax on the rental value of a property of 20 percent for residential units and farms, and 30 percent on industrial and commercial units.
- Real estate capital gains are taxed at a flat rate of 20 percent.



## CONGO

Capital: Brazzaville Population: 5,126,000

**GDP:** \$7.834 billion

**GDP by sector:**

- Agriculture 4.2%
- Industry 71.3%
- Services 24.5%

**Corporate tax rate:** 35%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / Nil / Nil
- Non Resident: 15 / 20 / 20

**Ease of doing business rank:** 177

### Important Tax Guidelines

- Import duties are payable at rates ranging from 5% to 30% on the customs value of imported goods. Customs value is calculated on the cost, insurance, and freight (CIF) level.
- Personal tax rates are fixed at the end of the year to which they relate. The rates are applied progressively in that they increase with the taxpayer's taxable income.
- A tax rate of 20% is imposed on salaries for duties performed in the Republic of Congo by foreign employees seconded to work in the Republic of Congo for limited periods.
- A withholding tax of 15% or 20% is imposed on income sourced in the Republic of Congo that is derived by foreign companies not necessarily engaged in activities in the Republic of Congo.



## DJIBOUTI

Capital: Djibouti Population: 942,333

**GDP:** \$1.727 billion

### GDP by sector:

- Agriculture 3%
- Industry 17.3%
- Services 79.7%

**Corporate tax rate:** 25%

**VAT standard rate:** 10%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 168

### Important Tax Guidelines

- Sales tax rate is a tax charged to consumers based on the purchase price of certain goods and services.
- Corporate tax is charged at a rate of 25%



## DR CONGO

Capital: Kinshasa Population: 78,740,000

**GGDP:** \$35.0 billion

### GDP by sector:

- Agriculture 20.1%
- Industry 31.7%
- Services 24.5%

**Corporate tax rate:** 35%

**VAT standard rate:** 16%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 or 20 / Nil / 20
- Non Resident: 10 or 20 / Nil or 20 / 20

**Ease of doing business rank:** 184

### Important Tax Guidelines

- Rental income is subject to tax at a flat rate of 22% in the province of Kinshasa.
- There are no local or provincial government direct taxes on income (except for the tax on rental income that is administered at the level of provinces).
- Personal income tax is taxed progressively according to individual income up to a maximum rate of 30%.
- The indemnities and allowances paid to an employee in relation with the termination of his contract of employment are taxed at the specific rate of 10%.



## EGYPT

Capital: Cairo Population: 95,690,000

**GDP:** \$336.3 billion

### GDP by sector:

- Agriculture 11.2%
- Industry 36.3%
- Services 52.5%

**Corporate tax rate:** 22.5%

**VAT standard rate:** 13%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 10 / NA / NA
- Non Resident: 10 / 20 / 20

**Ease of doing business rank:** 122

### Important Tax Guidelines

- There are provisions that limit the deduction tax of interests based on rates of interest charged and the debt to equity ratio of the company concerned.
- Rate of withholding tax for residents and nonresidents may reduce depending on treaties with various countries.
- Although the standard VAT in Egypt is 10%, it may vary from 0% to 30% depending on the product.
- Resident individuals are taxed on their globally-earned income though nonresidents are taxed only on Egyptian source income. There are no local taxes on personal income in Egypt



## EQUATORIAL GUINEA

Capital: Malabo Population: 1,221,000

**GDP:** \$10.8 billion

### GDP by sector:

- Agriculture 4.6%
- Industry 87.3%
- Services 8.1%

**Corporate tax rate:** 35%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 25 / 25 / 25

**Ease of doing business rank:** 178

### Important Tax Guidelines

- Residents are taxed on globally-earned income
- Resident companies are subject to CIT on their globally-earned income, the rate is 35% on taxable profits.
- Non-resident entities are subject to a 10% withholding tax on gross income derived from sources in Equatorial Guinea.



## ERITREA

Capital: Asmara Population: 4,475,000

GDP: \$2.608 billion

## GDP by sector:

- Agriculture 11.6%
- Industry 30.6%
- Services 57.8%

Corporate tax rate: 30%

VAT standard rate: 12%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

Ease of doing business rank: 189

## Important Tax Guidelines

- N/A



## ETHIOPIA

Capital: Addis Ababa Population: 102,400,000

GGDP: \$72.37 billion

## GDP by sector:

- Agriculture 36.7%
- Industry 47.1%
- Services 16.2%

Corporate tax rate: 30%

VAT standard rate: 15%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

Ease of doing business rank: 159

## Important Tax Guidelines

- Income from large-scale mining operations, excluding petroleum, natural gas and oil shale, is taxed at a rate of 25%.
- A 35% rate applies to income from small-scale mining operations, with the same exclusions while income from petroleum, natural gas and oil shale operations is taxed at the standard rate of 30%
- Resident companies are subject to business income tax on their globally-earned income. Nonresident companies are subject to tax on their Ethiopian-source income only.
- Capital gains derived from transfers of buildings located in municipal areas that are used for a business, factory or office are subject to tax at a rate of 15%.
- Capital gains derived from transfers of shares of companies are subject to tax at a rate of 30%.
- Ethiopia has entered into double tax treaties with various countries, including the Czech Republic, France, Israel, Italy, Kuwait, Romania, the Russian Federation, South Africa, Tunisia and Turkey.



## GABON

Capital: Libreville Population: 1,980,000

**GDP:** \$14.21 billion

### GDP by sector:

- Agriculture 4.5%
- Industry 46.4%
- Services 49.1%

**Corporate tax rate:** 30%  
(35% for oil & gas and mining companies)

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 20 / Nil / Nil
- Non Resident: 20 / 10 / 10

**Ease of doing business rank:** 164

### Important Tax Guidelines

- Personal Income Tax is determined according to a progressive rates scale established according to the taxpayer's family charges (with a maximum of 6 dependent children) and according to income brackets.
- The rate of the complementary tax on salaries is 5% of the salary, indemnities and emoluments paid to the taxpayer.
- Taxation of branch income is the same as for corporate income. However, a 15% withholding tax on profit is due at the time the profit is taken by the head office; the rate may reduce to 10% if there is an existing tax treaty.



## GAMBIA

Capital: Banjul Population: 2,039,000

**GDP:** \$964.6 million

### GDP by sector:

- Agriculture 33%
- Industry 8.7%
- Services 58.3%

**Corporate tax rate:** 31%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 145

### Important Tax Guidelines

- Withholding tax applies to retention of services of contractors or subcontractors, a company or partnership paying dividends to resident individuals and interests paid to resident companies.



## GHANA

Capital: Accra Population: 28,210,000

GDP: \$42.69 billion

## GDP by sector:

- Agriculture 50.6%
- Industry 28.1%
- Services 21.3%

Corporate tax rate: 25%

VAT standard rate: 17.5 (15% VAT and 2.5% NHIL)

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 8 / 8 / 15
- Non Resident: 8 / 8 / 15

Ease of doing business rank: 108

## Important Tax Guidelines

- Corporate tax of companies may vary depending on status of a company, location or nature of business.
- A 15% tax is charged on capital gains on disposal of chargeable assets including shares, non agricultural land and goodwill.
- A branch of any foreign company working in Ghana is taxed at a 10% rate on repatriated funds.
- Foreign tax credits are put in place to avoid double taxation on overseas income.
- Residents are tax on globally-earned income while non-residents are taxed on income arising only from Ghana.
- Residents are subject to tax at rates ranging between 0% and 25% on graduated scale of income



## GUINEA

Capital: Conakry Population: 12,400,000

GGDP: \$6.299 billion

## GDP by sector:

- Agriculture 19.7%
- Industry 37.7%
- Services 42.6%

Corporate tax rate: 30%

VAT standard rate: 10%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

Ease of doing business rank: 172

## Important Tax Guidelines

- Both residents and nonresident companies are taxed only on income sourced within Guinea.
- Capital gains are taxed at the regular corporate rate; capital gains on transfers of shares are taxed at a rate of 10%.
- Guinea has entered into a double tax treaty with France.



## GUINEA BISSAU

Capital: Bissau Population: 1, 816,000

**GDP:** \$1.126 billion

**GDP by sector:**

- Agriculture 55.7%
- Industry 13.2%
- Services 31.0%

**Corporate tax rate:** 25%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 172

### Important Tax Guidelines

- N/A



## IVORY COAST

Capital: Yamoussoukro Population: 23,700,000

**GDP:** \$34.25 billion

**GDP by sector:**

- Agriculture 18.9%
- Industry 19.4%
- Services 61.8%

**Corporate tax rate:** 25%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / 18 / 20
- Non Resident: 15 / 18 / 20

**Ease of doing business rank:** 142

### Important Tax Guidelines

- The Ivory Coast taxes residents on their globally-earned income, resident in the Ivory Coast are subject to specific direct income tax, depending on the kind of revenue earned, and to general income tax.
- Excise duties apply on cigarette imports, alcoholic or non-alcoholic beverages, and oil products.
- Payroll taxes are levied at the rates of 2.8% for local employees and 12% for expatriate employees on the total taxable remuneration, including salaries, benefits, and benefits in kind.





## KENYA

Capital: Nairobi Population: 48,460,000

GDP: \$70.53 billion

## GDP by sector:

- Agriculture 32.7%
- Industry 18.0%
- Services 49.3%

## Corporate tax rate:

- Resident corporations 30%
- Foreign corporations 37.5%

VAT standard rate: 16%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 5 / 10 to 25 / 5
- Non Resident: 10 / 15 to 25 / 20

Ease of doing business rank: 92

## Important Tax Guidelines

- Capital gains are charged at a rate of 5% on the net gain of transfer of property. This is a final tax and can't be offset against their taxable income.
- Unprocessed Agricultural products and financial services are exempted from value added tax
- Foreign tax relief is limited only to countries with double taxation treaty with Kenya.
- Residents are taxed from income accrued globally-earned while nonresident are only taxed on income from Kenya.



## LESOTHO

Capital: Maseru Population: 2,204,000

GGDP: \$2.200 billion

## GDP by sector:

- Agriculture 7.3%
- Industry 31.1%
- Services 61.5%

Corporate tax rate: 25%

VAT standard rate: 14%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

Ease of doing business rank: 100

## Important Tax Guidelines

- Companies are taxed separately from its members and dividend tax only applies if the income is unqualified.
- Fringe benefit tax is applies to employers who give fringe benefits to their employees
- Lesotho belongs to South African Custom Union so its linked to a single tariff where no custom duty applies between them
- Taxable income of a country is determined after the offset of allowable deductions.
- Dividends, interests and royalties from countries that have agreement with Lesotho are subjected to 25% withholding tax. Royalties from technology services however are subjected to 15% withholding tax.



## LIBERIA

Capital: Monrovia Population: 4,614,000

**GDP:** GDP: \$2.101 billion

**GDP by sector:**

- Agriculture 35.4%
- Industry 14.4%
- Services 50.2%

**Corporate tax rate:** 25%

**VAT standard rate:** 7%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 174

### Important Tax Guidelines

- N/A



## LIBYA

Capital: Tripoli Population: 6,293,000

**GDP:** \$ 34.70 billion

**GDP by sector:**

- Agriculture 1.9%
- Industry 43.2%
- Services 54.9%

**Corporate tax rate:** 20%

**VAT standard rate:** N/A

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 188

### Important Tax Guidelines

- Social security contributions are paid by all employees working in Libya. The rate is 15%.
- Capital gains is treated as ordinary business income and subjected to 20% tax.
- There is no VAT system in Libya.
- Employment (salaries and wages) tax is calculated on an employee base salary plus any other allowances at a maximum rate of 10%



## MADAGASCAR

Capital: Antananarivo Population: 24,890,000

**GDP:** \$9.991 billion

### GDP by sector:

- Agriculture 24.8%
- Industry 16.3%
- Services 58.9%

**Corporate tax rate:** 20%

**VAT standard rate:** 20%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / 20 / Nil
- Non Resident: Nil / 20 / 10

**Ease of doing business rank:** 167

### Important Tax Guidelines

- The date of filing depends on the financial year of the company involved:
- For enterprises liable to IR (income tax): Enterprises whose financial year coincides with the calendar year: before 15 May of the following year at the latest
- Enterprises with a financial year ending 30 June: before 15 November of the same year at the latest
- Enterprises with a different financial year: within the 4 months following the close of the financial year (at the latest the 15th day of the 4th month following the date of closing) • For an Individual with only employment income, tax (known as IRSA) on employment income is withheld at source and is final.
- An individual with non-employment income but exercising an independent activity and whose annual turnover exceeds Ariary (Ar) 20 000 000 must file an annual return of income from the previous year.
- He is liable to IR even if he does not have employee.
- An individual or company exercising independent activities (farming, trade, crafts, services, liberal profession, senior managing partner), generating an annual turnover less than Ar20 000 000 must file an annual return of income for the previous year. This tax is named synthetic tax "IS" Date of filing: Before 31 March of each year Rate: 5% of the annual turnover.



## MALAWI

Capital: Lilongwe Population: 17,990,000

**GGDP:** \$14.05 billion

### GDP by sector:

- Agriculture 41.0%
- Industry 18.6%
- Services 40.4%

**Corporate tax rate:** 30%

**VAT standard rate:** 16.5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 20 / 20
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 141

### Important Tax Guidelines

- Agricultural produce processing has been designated as a priority industry.
- Non-resident tax is payable on income due to a non-resident at the rate of 15% of the gross income.
- There are no local income taxes in Malawi.
- Withholding tax on dividends is a final tax and is charged at 10%.



## MALI

Capital: Bamako Population: 17,990,000

**GDP:** \$14.05 billion

**GDP by sector:**

- Agriculture 41.0%
- Industry 18.6%
- Services 40.4%

**Corporate tax rate:** 30%

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 141

### Important Tax Guidelines

- N/A



## MAURITANIA

Capital: Nouakchott Population: 4,301,000

**GDP:** \$46.35 billion

**GDP by sector:**

- Agriculture 24.1%
- Industry 34.8%
- Services 41.1%

**Corporate tax rate:** 25%

**VAT standard rate:** 16%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 160

### Important Tax Guidelines

- Mauritanian companies are taxed on the territoriality principle.
- Foreign companies with activities in Mauritania are subject to Mauritanian corporate tax on Mauritanian-source profits only.
- Foreign tax credits are not allowed.
- Income subject to foreign tax that is not exempt from Mauritanian tax under the territoriality principle is taxable net of the foreign tax.



## MAURITIUS

Capital: Port Louis Population: 1,263,000

**GDP:** \$12.16 billion

### GDP by sector:

- Agriculture 4.0%
- Industry 22.1%
- Services 73.9%

**Corporate tax rate:** 15%

**VAT standard rate:** 15%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / Nil / 10
- Non Resident: Nil / 15 / 15

**Ease of doing business rank:** 49

### Important Tax Guidelines

- Resident Corporation is liable to tax from income accrued globally-earned while nonresident company is taxed only on income from Mauritius.
- Custom duty, excise duty and land/property taxes also exist.
- Personal income tax is charged at a flat rate of 15% for residents.
- There is no capital gain tax system in Mauritius.



## MOROCCO

Capital: Rabat Population: 35,280,000

**GGDP:** \$101.4 billion

### GDP by sector:

- Agriculture 13.1%
- Industry 29.8%
- Services 57.2%

**Corporate tax rate:** 31%

**VAT standard rate:** 20%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 15 / 10 / 10

**Ease of doing business rank:** 68

### Important Tax Guidelines

- Leased companies and credit institutions are subjected to 37% corporate tax.
- Nonresident dividends are subjected to 15% withholding tax unless there is a treaty stating otherwise.
- Individuals who have their tax residence in Morocco are subject to an individual income tax on their globally-earned income, nonresidents are taxed only on income generated from Morocco.



## MOZAMBIQUE

Capital: Maputo Population: 28,830,000

**GDP:** \$11.01 billion

**GDP by sector:**

- Agriculture 25.3%
- Industry 19.8%
- Services 54.9%

**Corporate tax rate:** 32%

**VAT standard rate:** 17%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 20 / 20 / 20
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 137

### Important Tax Guidelines

- There is an existing transfer pricing system in place.
- Residents are subjected to income tax from income accruing globally-earned while nonresidents are only taxed if the income is from Mozambique.
- Property transfer tax is charged on transfers of real estate, excluding the land, which is owned by the state. The rate of tax is 2% of the selling price of the building. When the beneficiaries live in a country with a privileged tax regime, the applicable rate is 10%.
- Excise duties are levied on certain goods manufactured locally or imported.



## NAMIBIA

Capital: Windhoek Population: 2,480,000

**GDP:** \$10.27 billion

**GDP by sector:**

- Agriculture 5.5%
- Industry 29.0%
- Services 65.6%

**Corporate tax rate:** 33%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 10 or 20 / 10 / 9.9

**Ease of doing business rank:** 108

### Important Tax Guidelines

- Both residents and residents are taxed only from income originating from Namibia.
- There is no tax on capital gain on companies or individuals.
- There is tax credits system in place to relieve overseas taxes paid on income deemed to accrue in Namibia.
- Taxable income to individuals is deemed at a progressive series of income up to a maximum of 37%



## NIGER

Capital: Niamey Population: 20,670,000

**GDP:** \$7.509 billion

### GDP by sector:

- Agriculture 39.0%
- Industry 16.3%
- Services 41.6%

**Corporate tax rate:** 30%

**VAT standard rate:** 19%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 150

### Important Tax Guidelines

- N/A



## NIGERIA

Capital: Abuja Population: 186,000,000

**GGDP:** \$405.1 billion

### GDP by sector:

- Agriculture 21.1%
- Industry 19.4%
- Services 59.5%

**Corporate tax rate:** 30%

**VAT standard rate:** 19%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / 10
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 169

### Important Tax Guidelines

- VAT on goods and services within or imported in Nigeria are non-exemptible.
- Payment of both domestic companies and individuals or non residents is subjected to withholding tax of 5%.
- Income accruing from Nigeria from residents is assessable to tax. Non-resident pay tax only from income generated from Nigeria.



## RWANDA

Capital: Kigali Population: 11,920,000

**GDP:** \$8.376 billion

### GDP by sector:

- Agriculture 34.6%
- Industry 15.1%
- Services 50.3%

**Corporate tax rate:** 30%

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 15 / 15 / 15
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 57

### Important Tax Guidelines

- All salaried workers, both nationals and foreigners, working in Rwanda are required to contribute to social security scheme. The rate is 5% of the employee's gross salary, while employee's contribution is 3%
- Rwanda does not have any net wealth or inheritance, estate, or gift taxes.
- Rwandan resident individuals are taxed on their globally-earned income.
- Foreign tax credit is granted in Rwanda for foreign taxes paid.
- Non-residents are taxed on their Rwandan-sourced income. The same rates of tax are applicable to both residents and non-residents.



## SAO TOME & PRINCIPE

Capital: Sao Tome Population: 199,100

**GDP:** \$351.1 million

### GDP by sector:

- Agriculture 22.4%
- Industry 10.3%
- Services 67.4%

**Corporate tax rate:** 25%

**VAT standard rate:** 7 - 25%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 162

### Important Tax Guidelines

- N/A





## SENEGAL

Capital: Dakar Population: 15,410,000

**GDP:** \$14.77 billion

### GDP by sector:

- Agriculture 15.6%
- Industry 24.3%
- Services 60.3%

**Corporate tax rate:** 30%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 8 to 16 / 20
- Non Resident: 10 / 8 to 16 / 20

**Ease of doing business rank:** 147

### Important Tax Guidelines

- Residents are taxed upon their globally-earned income.
- Non-residents are generally taxed via the existence of a permanent establishment.
- The personal income tax corresponds to a progressive duty to be applied to the taxable income of individuals, including net salaries, the maximum is 40%.
- Remunerations paid to employees working in Senegal are subject to a 3% fixed valuated employer tax payable by the employer.



## SEYCHELLES

Capital: Victoria Population: 94,677

**GGDP:** \$1.427 billion

### GDP by sector:

- Agriculture 2.6%
- Industry 13.9%
- Services 83.5%

**Corporate tax rate:** 25%

**VAT standard rate:** 15%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 93

### Important Tax Guidelines

- Resident and nonresident corporate and non-corporate businesses are subject to business tax on their income derived from the Seychelles.
- Capital gains are not taxable in the Seychelles.
- Seychelles does not have transfer-pricing regulations. The Business Tax Act requires transactions between related parties to be conducted using internationally approved transfer-pricing guidelines.



## SIERRA LEONE

Capital: Freetown Population: 7,396,000

**GDP:** \$3.669 billion

### GDP by sector:

- Agriculture 71.1%
- Industry 7.9%
- Services 21.0%

**Corporate tax rate:** 30%

**VAT standard rate:** 15%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 148

### Important Tax Guidelines

- Capital gains tax is payable at a rate of 30% accruing from the disposal of chargeable assets owned by a chargeable person.
- Individual residents of Sierra Leone are subjected to personal tax at increasing scale rate up to a maximum of 30%



## SOMALIA

Capital: Mogadishu Population: 14,320,000

**GDP:** \$6.217 billion

### GDP by sector:

- Agriculture 60.2%
- Industry 7.4%
- Services 32.5%

**Corporate tax rate:** 25%

**VAT standard rate:** 20%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 190

### Important Tax Guidelines

- Capital gains are liable to a tax at a rate of 10% of the total net gain.
- Personal tax is levied at 6% on gross income.



## SOUTH AFRICA

Capital: Pretoria Population: 55,910,000

**GDP:** \$294.8 billion

### GDP by sector:

- Agriculture 2.5%
- Industry 31.6%
- Services 65.9%

**Corporate tax rate:** 28%

**VAT standard rate:** 14%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 20 / Nil / Nil
- Non Resident: 20 / 15 / 15

**Ease of doing business rank:** 74

### Important Tax Guidelines

- Resident companies are taxed from income generated globally-earned.
- Non-residents are only taxed on income generated in South Africa.
- Where a branch of foreign company is operating in South Africa, its profits are taxed at 28%
- Only a few exemptions exist on VAT.
- Fringe benefit Tax is charged on employers who offer fringe benefits to their employees.
- Resident individuals are generally subjected to personal income tax on their globally-earned income irrespective of the source.
- Non-residents are only taxed on income generated from South African source.



## SOUTH SUDAN

Capital: Juba Population: 12,230,000

**GGDP:** \$9.015 billion

**GDP by sector:** N/A

**Corporate tax rate:** N/A

**VAT standard rate:** N/A

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 186

### Important Tax Guidelines

- N/A



## SUDAN

Capital: Khartoum Population: 39,580,000

**GDP:** \$95.58 Billion

**GDP by sector:**

- Agriculture 27.5%
- Industry 20.7%
- Services 51.8%

**Corporate tax rate:** 35%

**VAT standard rate:** 17%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 168

### Important Tax Guidelines

- N/A



## SWAZILAND

Capital: Mbabane Population: 1,343,000

**GDP:** \$3.727 billion

**GDP by sector:**

- Agriculture 5.8%
- Industry 44.5%
- Services 49.7%

**Corporate tax rate:** 27.5%

**VAT standard rate:** 14%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 15 / 10 / 15

**Ease of doing business rank:** 111

### Important Tax Guidelines

- Residents and non-residents are subjected to income tax accrued in Swaziland though at different rates.
- No tax is payable on capital gains.
- Swaziland has double taxation treaties with only a few countries like United Kingdom, South Africa and Mauritius.
- Relief of double taxation is provided by means of credit for overseas tax suffered on overseas income.



## TANZANIA

Capital: Dar es Salaam Population: 55,570,000

**GDP:** \$47.43 billion

### GDP by sector:

- Agriculture 25.1%
- Industry 27.6%
- Services 47.3%

**Corporate tax rate:** 30%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / 15
- Non Resident: 10 / 10 / 15

**Ease of doing business rank:** 132

### Important Tax Guidelines

- The local government levies a property tax based on the value of a premise. The rates vary depending on the value and location of the property.
- Income tax is payable by individuals resident in Tanzania (other than short-term residents) on their globally-earned income. 'Short-term residents' and non-residents are taxable on income from a Tanzanian source
- A Tanzanian resident is taxed on globally-earned income, irrespective of source. Non-residents are taxable on income with a source in Tanzania.



## TOGO

Capital: Lome Population: 7,606,000

**GGDP:** \$4.40 billion

### GDP by sector:

- Agriculture 27.5%
- Industry 21.3%
- Services 51.2%

**Corporate tax rate:** 29%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 154

### Important Tax Guidelines

- N/A



## TUNISIA

Capital: Tunis Population: 11,400,000

**GDP:** \$42.06 billion

**GDP by sector:**

- Agriculture 10.1%
- Industry 28.3%
- Services 61.6%

**Corporate tax rate:** 25%

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 5 / 20 / 5 or 15
- Non Resident: 5 / 20 / 5 or 25

**Ease of doing business rank:** 77

### Important Tax Guidelines

- VAT on resident companies (hotels and restaurants) is 6%
- VAT on raw materials, craft industries and medical activities is 12%
- Inherited property and gifts are subjected tax at a scale of 2.5% to 35% depending on closeness of relation.



## UGANDA

Capital: Kampala Population: 41,490,000

**GDP:** \$25.53 billion

**GDP by sector:**

- Agriculture 24.5%
- Industry 21.0%
- Services 54.4%

**Corporate tax rate:** 30%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / 15 / N/A
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 115

### Important Tax Guidelines

- Capital gain losses only arise on non-depreciable assets. Gains are added and taxed along ordinary income.
- Repatriated profits are subjected to 15% tax on overseas companies that have branches in Uganda.
- Income tax is levied on globally-earned income of resident individuals. Non-residents are only taxed on income generated in Uganda.



## ZAMBIA

Capital: Lusaka Population: 16,590,000

**GDP:** \$19.55 billion

### GDP by sector:

- Agriculture 9.2%
- Industry 29.2%
- Services 61.7%

**Corporate tax rate:** 35%

**VAT standard rate:** 16%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 15 / 15 / 15
- Non Resident: 15 / 15 / 20

**Ease of doing business rank:** 98

### Important Tax Guidelines

- There is no capital gains tax in Zambia.
- Property transfer tax is charged at 10% on immovable property.
- Normal tax is payable by Zambian companies on their taxable income at the following rate:
  - i. Farming and agro-processing - 10%
  - ii. Charities – on income from business activities - 15%
  - iii. Rural manufacturing business- first 5 years - 30%
  - iv. Export of non-traditional products - 15%
  - v. Trading, manufacturing and any other - 35%
  - vi. Manufacture of organic and chemical fertilizer - 15%



## ZIMBABWE

Capital: Harare Population: 16,150,000

**GGDP:** \$16.29 billion

### GDP by sector:

- Agriculture 12.2%
- Industry 28.4%
- Services 59.4%

**Corporate tax rate:** 21.75%

**VAT standard rate:** 15%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A / 15 / N/A
- Non Resident: 15 / 0 / 15

**Ease of doing business rank:** 161

### Important Tax Guidelines

- Private businesses and resident companies are not exempted from tax.
- Capital gains tax exists on sources within Zimbabwe and only on immovable property.
- The Revenue Authority Commissioner is empowered to make adjustments to non-arm's length cross-border transactions and thin capitalizations between connected parties.







# ASIA

Afghanistan	58	Mongolia	70
Armenia	58	Myanmar	70
Azerbaijan	59	Nepal	71
Bahrain	59	North Korea	71
Bangladesh	60	Oman	72
Bhutan	60	Pakistan	72
Brunei	61	Phillipines	73
Cambodia	61	Qatar	73
China	62	Russia	74
East Timor	62	Saudi Arabia	74
India	63	Singapore	75
Indonesia	63	South Korea	75
Iran	64	Sri Lanka	76
Iraq	64	Syria	76
Israel	65	Taiwan	77
Japan	65	Tajikistan	77
Jordan	66	Thailand	78
Kazakhstan	66	Turkimenstan	78
Kuwait	67	UAE	79
Kyrgyzstan	67	Uzbekistan	79
Laos	68	Vietnam	80
Lebanon	68	Yemen	80
Malaysia	69		
Maldives	69		



## AFGHANISTAN

Capital: Kabul Population: 34,656,032

**GDP:** \$64.08 billion

### GDP by sector:

- Agriculture 22.0%
- Industry 22.0%
- Services 56.0%

**Corporate tax rate:** 20%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 20 / 20 / 20
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 183

### Important Tax Guidelines

- The law stipulates that all businesses irrespective of the legal status of the organization are subject to corporate at 20% tax on income under Article 4 of the Income Tax law in Afghanistan.
- The capital gains from the sale, exchange, or transfer of certain assets is treated as taxable income. Capital gains include the sale of a trade or business (including goodwill), a factory (including equipment, machinery, buildings and land, or any part of such assets), equipment used in the business of transporting persons and property and shares of stock in corporations or limited liability companies.
- The calculation of tax on the taxable profits of branch offices of international organizations is the same as other business. The tax is calculated at a rate 20% of income after allowing all admissible expenses.
- Any income tax paid to the government of a foreign country may be taken as credit on the principle of reciprocity.



## ARMENIA

Capital: Yerevan Population: 2,924,816

**GDP:** \$10.55 billion

### GDP by sector:

- Agriculture 21.9%
- Industry 31.5%
- Services 46.6%

**Corporate tax rate:** 20%

**VAT standard rate:** 20%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 38

### Important Tax Guidelines

- Resident and nonresident entities pay corporate income tax.
- Resident entities are taxed on their globally-earned income, which consists of income received from sources inside and outside Armenia.
- Non-resident entities are taxed on Armenian-source income only.
- Income earned through a permanent establishment in Armenia, net of tax-deductible expenses, is taxed at the regular corporate income tax rate of 20%.



## AZERBAIJAN

Capital: Baku Population: 9,762,000

**GDP:** \$37.85 billion

### GDP by sector:

- Agriculture 5.7%
- Industry 61.2%
- Services 33.2%

**Corporate tax rate:** 20%

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / 14
- Non Resident: 10 / 10 / 14

**Ease of doing business rank:** 65

### Important Tax Guidelines

- For corporations, capital gains are taxed at the same rates as other profits.
- For individuals, capital gains are treated as normal income and taxed at the ordinary personal tax rate.
- VAT is similar to most European VAT systems with tax being levied on the supply of most goods and services.
- Legal entities incorporated in Azerbaijan are normally treated as residents and are taxable on their globally-earned income.
- The tax code provides taxpayers with an opportunity for net operating loss carry-forward



## BAHRAIN

Capital: Manama Population: 1,425,000

**GGDP:** \$31.86 billion

### GDP by sector:

- Agriculture 0.3%
- Industry 33.8%
- Services 65.9%

**Corporate tax rate:** 46% for oil companies  
0% for other corporations

**VAT standard rate:** See Note

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil
- Non Resident: Nil

**Ease of doing business rank:** 63

### Important Tax Guidelines

- No personal or corporate income tax, withholding taxes or value added tax applicable.
- Municipal tax of 10% is payable on the monthly rental of residential and business property.
- A government levy is applied at 5% on the gross turnover of hotel and entertainment businesses.
- Import duties are levied at a rate of 5% with many items exempted.

### Note

- Will introduce a broad Valued Added Tax (VAT) at a rate of between 3-5%. Effective from mid 2018.



## BANGLADESH

Capital: Dhaka Population: 163,000,000

**GDP:** \$221.600 billion

### GDP by sector:

- Agriculture 15.5%
- Industry 28.1%
- Services 56.3%

**Corporate tax rate:** 45%

**VAT standard rate:** 15%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 20 / 20 / 20
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 176

### Important Tax Guidelines

- The standard rate of VAT is 15% levied on transaction value of most of the imports and supplies of goods and services.
- The principal taxes are Customs Duty, Value-Added-Tax (VAT), Supplementary Duty and personal income taxes and corporate income taxes.
- For tax purposes, income is categorised into salaries, interest on securities, income from house property, income from agriculture, income from business or profession, capital gains and income from other sources.
- Income tax is the main source of revenue in the category of direct taxes.
- Individual income is taxed at the rate of 30%.
- Corporate tax rate is 45% which also applies to banks, financial institutions and insurance companies.
- Publicly traded companies registered in Bangladesh are charged at a lower rate of 27.5%.



## BHUTAN

Capital: Thimpu Population: 797,765

**GDP:** \$2.237 billion

### GDP by sector:

- Agriculture 16.4%
- Industry 42.1%
- Services 41.5%

**Corporate tax rate:** 35.3%

**VAT standard rate:** 50%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / 10
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 73

### Important Tax Guidelines

- N/A



## BRUNEI

Capital: Bandar Seri Begawan Population: 423,196

**GDP:** \$11.4 billion

### GDP by sector:

- Agriculture 0.8%
- Industry 66.5%
- Services 32.8%

**Corporate tax rate:** 18.5%

**VAT standard rate:** N/A

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 0 / 15 / 10

**Ease of doing business rank:** 72

### Important Tax Guidelines

- No personal tax on individuals (residents and non-residents).
- There is no VAT or equivalent consumption based tax.
- Pioneer industry tax exemption.
- Tax relief for capital expenditure in excess of BND 1 million.
- Withholding tax exemptions for interest on certain loans from non-residents.



## CAMBODIA

Capital: Phnom Penh Population: 15,760,000

**GGDP:** \$20.02 billion

### GDP by sector:

- Agriculture 32.7%
- Industry 25.5%
- Services 41.8%

**Corporate tax rate:** 20%

**VAT standard rate:** 10% charged on local supplies

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 14 / 14 / 14

**Ease of doing business rank:** 131

### Important Tax Guidelines

- The standard rate of Tax on Profit for legal persons is 20%.
- Tax on profit is calculated on taxable income encompassing capital gains and passive income like interest, royalties and rent.
- Tax on profit is imposed on the globally-earned income of resident taxpayers.
- For corporations, resident taxpayers are enterprises organized, managed or having a principal place of business in Cambodia.
- A company that is not a resident taxpayer and that receives income from a Cambodian source is considered to be a nonresident taxpayer.
- A tax rate of 30% applies to income derived from oil or natural gas production sharing contracts and from the exploitation of natural resources including timber, ore, gold, and precious stones.
- Minimum tax is a separate annual tax imposed at a rate of 1% of annual turnover inclusive of all taxes, except VAT.



## CHINA

Capital: Beijing Population: 1,364,000,000

**GDP:** \$11.2 trillion

### GDP by sector:

- Agriculture 8.6%
- Industry 39.8%
- Services 51.6%

**Corporate tax rate:** 25%

**VAT standard rate:** 17%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 78

### Important Tax Guidelines

- As stated above, domestic and foreign enterprises are taxed at a rate of 25% (subject to a small profits rate of 20%).
- No separate tax on capital gains.
- A land value appreciation tax applies to transfers of land use rights.
- Business Tax is levied at rates from 3% to 20%.
- Business is levied on gross turnover and no tax credit for business inputs.
- VAT rate is 17% for most taxable goods.
- A reduced tax rate of 13% is charged on specified goods that are mainly agricultural.
- Stamp tax is levied on a variety of contracts.
- Individuals are taxed on wages/salaries and business income at progressive.



## EAST TIMOR

Capital: Dili Population: 1,269,000

**GDP:** \$1.552 billion

### GDP by sector:

- Agriculture 5.2%
- Industry 72.8%
- Services 22.1%

**Corporate tax rate:** 10%

**VAT standard rate:** 2.5% on only imported goods.

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / Nil / 10
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 172

### Important Tax Guidelines

- Taxes are charged to residents of Timor-Leste and Timor-Leste permanent establishments of non-residents.
- A permanent establishment means a fixed place of business through which the business is wholly or partly carried on, like an office, factory, or workshop.
- Income from construction and building activities are taxed at 2%.
- Income from construction consulting services including project management, engineering design and site supervision services are taxed at 4%.
- Income from the provision of air or sea transportation services are taxed at 2.64%.
- Income from mining and mining support services are taxed at 4.5%.



## INDIA

Capital: New Delhi Population: 1,324,000,000

GDP: \$2.264 trillion

## GDP by sector:

- Agriculture 17.32%
- Industry 29.02%
- Services 53.66%

**Corporate tax rate:** 30% and 40% for domestic and foreign corporations respectively

**VAT standard rate:** Charged between 5% to 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / 20 / 10
- Non Resident: 20 / 20 / 25

Ease of doing business rank: 130

## Important Tax Guidelines

- Resident companies are subject to income tax on their globally-earned income and capital gains. Non-resident companies are subject to income tax on their income from Indian sources.
- Some long term capital gains are either exempt or taxed at a special rate.
- A dividend distribution tax is payable in respect of dividends declared, distributed or paid.
- Dividends earned from domestic companies are exempt from tax.
- Transfer pricing rules in India provide for income from international transactions among associated enterprises to be computed at an arm's length basis.
- In India, profits of small businesses may be subject to presumptive taxation and income is deemed to be a percentage of gross receipts.



## INDONESIA

Capital: Jakarta Population: 261,100,000

GGDP: \$932.3 billion

## GDP by sector:

- Agriculture 14.2%
- Industry 45.5%
- Services 40.3%

**Corporate tax rate:** 25%

**VAT standard rate:** 10%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 15 / 15 / 15
- Non Resident: 20 / 20 / 20

Ease of doing business rank: 91

## Important Tax Guidelines

- Resident companies are subject to income tax on their globally-earned income including capital gains.
- A permanent establishment of a foreign company is subject to tax in Indonesia on its globally-earned income.
- Branch profits are taxed at the same rate as corporate profits. A 20% withholding branch profit tax is also payable on after tax income.
- Non-resident companies are subject to tax on income, including capital gains, derived from Indonesia.
- Sales tax on the transfer or importation of luxury goods, at rates between 10% and 75%.



## IRAN

Capital: Tehran Population: 80,280,000

**GDP:** \$412.2 billion

### GDP by sector:

- Agriculture 9.1%
- Industry 39.9%
- Services 51.0%

**Corporate tax rate:** 25%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 121

### Important Tax Guidelines

- Individual income tax is charged progressively with a top-rate of 35%.
- Companies listed on the stock exchange taxed at 22.5%.
- Capital gains tax is charged at 25%.
- There is no capital gains tax on sale of shares in resident companies.



## IRAQ

Capital: Baghdad Population: 37,200,000

**GDP:** \$171.5 billion

### GDP by sector:

- Agriculture 3.4%
- Industry 64.9%
- Services 31.7%

**Corporate tax rate:** 15%

**VAT standard rate:**  
Varies with the kind of goods and services.

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A / 15 / 15

**Ease of doing business rank:** 165

### Important Tax Guidelines

- In Iraq, capital gains are treated as ordinary income of companies and taxed at the appropriate corporation tax rate.
- There is no Value Added Tax (VAT) or Goods and Services Tax (GST).
- As a general rule, related party transactions are required to be reported separately and should be made on a third party arm's length basis.
- Resident and non-resident individuals are subject to personal tax at progressive tax rates up to 15%.
- Resident individuals can claim relevant exemptions whereas no exemptions are available to non-resident individuals.





## ISRAEL

Capital: Jerusalem Population: 8,547,000

GDP: \$318.7 billion

## GDP by sector:

- Agriculture 2.5%
- Industry 31.2%
- Services 64.7%

Corporate tax rate: 26.5%

VAT standard rate: 18%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 0 OR 24 / 24 / 30
- Non Resident: 25 OR 30 / 24 / 24

Ease of doing business rank: 52

## Important Tax Guidelines

- All resident companies are liable to taxes on their globally-earned income and capital gains.
- A non-resident company is only liable to Israeli tax on income sourced in Israel.
- Value Added Tax is charged at a rate of 18% on the supply of goods and services.
- Withholding taxes are deducted from payments of interest, dividends and royalties made to non-residents, subject to Tax Treaty arrangements.
- Income tax is payable by Israeli-resident individuals on income derived from all sources.



## JAPAN

Capital: Tokyo Population: 127,000,000

GGDP: \$4.939 trillion

## GDP by sector:

- Agriculture 1.2%
- Industry 27.7%
- Services 71.1%

Corporate tax rate: 30.86%

## VAT standard rate:

They charge consumption tax at 8%

Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 20 / 20 / 20
- Non Resident: 15 / 20 / 20

Ease of doing business rank: 34

## Important Tax Guidelines

- Foreign corporations are subject to either corporation tax or final withholding tax on Japanese source income.
- There is a consumption tax (value added tax) of 6.3% of sales, including imports of goods and services.
- Tax relief offered for foreign taxes on foreign source income and capital gains.
- In Japan, under the consolidated tax regime, an affiliated group of companies can report and pay national corporate income tax as one unit.
- Domestic corporations are subject to withholding tax on dividends, interest and certain other income.
- Foreign corporations are subject to withholding tax on dividends, interest, royalties, income from immovable property, rentals from industrial or commercial equipment, and other income.



## JORDAN

Capital: Amman Population: 9,456,000

**GDP:** \$37.52 billion

### GDP by sector:

- Agriculture 4.0%
- Industry 30.0%
- Services 66.0%

**Corporate tax rate:** Banks at 25%  
Industrial sector corporations at 14%  
Other corporations at 20%

**VAT standard rate:** 16%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: NA
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 118

### Important Tax Guidelines

- The new income tax law no. 34 for the year 2014 imposes personal income tax (PIT) rates progressively with a top rate of 20%.
- The Jordan Personal Income Tax is the only tax on personal income in Jordan, there are no other taxes on personal income imposed at the local level.



## KAZAKHSTAN

Capital: Astana Population: 17,800,000

**GDP:** \$133.7 billion

### GDP by sector:

- Agriculture 4.8%
- Industry 35.3%
- Services 59.9%

**Corporate tax rate:** 20%

**VAT standard rate:** 12%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 35

### Important Tax Guidelines

- For personal income tax, a single flat rate of 10% (in some cases 20%) is applicable to most types of personal income; 5% is applicable for dividends received in and outside of Kazakhstan.
- There are no local taxes on personal income in Kazakhstan



## KUWAIT

Capital: Kuwait Population: 4,053,000

**GDP:** \$114 billion

### GDP by sector:

- Agriculture 0.3%
- Industry 60.7%
- Services 39.0%

**Corporate tax rate:** 15%

**VAT standard rate:** 5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 102

### Important Tax Guidelines

- For a foreign entity to be taxable, authorities have to determine whether it carries on trade or business in Kuwait and not on whether it has a permanent establishment or place of business in Kuwait.
- The individuals (Kuwaiti or Foreign national) and Kuwaiti companies are not subject to taxes on income.
- Foreign corporate bodies engaged in commercial activities in Kuwait are liable to pay flat 15% income tax on the net taxable income.
- Income tax is imposed on the profit of a business in Kuwait as calculated by the normal commercial criteria, using generally accepted accounting principles (GAAP) including accrual basis.
- For expenses to be deductible, they must be incurred in the generation of income in Kuwait. However, Provisions are not deductible for tax purposes.



## KYRGYZSTAN

Capital: Bishkek Population: 6,083,000

**GGDP:** \$6.551 billion

### GDP by sector:

- Agriculture 20.2%
- Industry 27.3%
- Services 52.5%

**Corporate tax rate:** 10%

**VAT standard rate:** 12%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 102

### Important Tax Guidelines

- Interest expenses included in the original cost of fixed assets should be related to the purchase and production of fixed assets for own use.
- Payment of acquired natural resources paid in cash and/or non-cash form is taxable for value-added tax (VAT) purposes.
- Voluntary VAT registration is effective from the first day of the month following the month of application submission.
- VAT registration documents should be issued within ten days from the day of registration of application.
- The amount of VAT on natural resources acquired in the territory of Kyrgyzstan paid in cash should not be offset.



## LAOS

Capital: Vientiane Population: 6,758,000

**GDP:** \$15.90 billion

### GDP by sector:

- Agriculture 37.4%
- Industry 20.2%
- Services 42.6%

**Corporate tax rate:** 35%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 10 / 10 / 5
- Non Resident: 10 / 10 / 5

**Ease of doing business rank:** 139

### Important Tax Guidelines

- Personal income tax rate (progressive rate of 0%-24%).
- There is VAT exemption to commercial banks and financial institutions
- There is VAT exemption on goods supplied to diplomats, foreign embassies, and international organizations.
- There is VAT exemption on goods for air transportation.



## LEBANON

Capital: Beirut Population: 6,007,000

**GDP:** \$47.54 billion

### GDP by sector:

- Agriculture 4.6%
- Industry 19.6%
- Services 75.8%

**Corporate tax rate:** 15%

**VAT standard rate:** 10%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / N/A
- Non Resident: 10 / 10 / 7.5

**Ease of doing business rank:** 126

### Important Tax Guidelines

- Resident companies and their branches of foreign companies are subject to corporate income tax at a rate of 15%.
- Branches of these corporations are subject to a 10% distribution tax on the amount of the profit after deduction of income tax.
- Corporations are generally not taxed on income from an overseas source.
- Capital gains are generally taxed at a rate of 10%.
- Value Added Tax applies to imports and the supply of goods and services.
- Income tax is charged on all individuals earning wages, salaries, other remuneration or consideration for services rendered in Lebanon.



## MALAYSIA

Capital: Kuala Lumpur Population: 31,190,000

**GDP:** \$296.4 billion

### GDP by sector:

- Agriculture 7.1%
- Industry 36.8%
- Services 56.2%

**Corporate tax rate:** 25%

**VAT standard rate:**  
6% on goods and services

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil
- Non Resident: 0 / 0 or 15 / 10

**Ease of doing business rank:** 23

### Important Tax Guidelines

- Corporations taxable income subject to corporate tax at the rate of 25%.
- Income tax is imposed only on income.
- Capital gains are not taxed, except those arising from transactions in real property or shares in real estate corporations.
- A resident is taxed on income earned in the country.
- Tax incentives are given for companies carrying on certain favoured activities including energy conservation services.



## MALDIVES

Capital: Malé Population: 417,492

**GGDP:** \$3.591 billion

### GDP by sector:

- Agriculture 4.0%
- Industry 23.0%
- Services 73.0%

**Corporate tax rate:** 15%

**VAT standard rate:** GST 6%  
TGST 12%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 135

### Important Tax Guidelines

- There is no capital gain tax charge in Maldives.
- Branch tax is zero percent.
- There is a withholding tax that is imposed on specified payments made to persons not resident in the Maldives such as Management fees, fees for technical services, fees for the use of computer software, payments for performances by public entertainers, rents paid for the viewing of cinematographic films in the Maldives among other services.



## MONGOLIA

Capital: Ulaanbaatar Population: 3,027,000

**GDP:** \$11.16 billion

**GDP by sector:**

- Agriculture 14.6%
- Industry 35.1%
- Services 50.3%

**Corporate tax rate:** 25%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 10 / 10 / 10
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 64

### Important Tax Guidelines

- Corporate tax system is progressive with annual taxable income of up to MNT3 billion subject to tax at a rate of 10% and taxable profits in excess of this amount taxed at a rate of 25%.
- Gains derived from the sale of immovable property are subject to tax at a rate of 2%.
- There withholding tax rates apply to payments to nonresidents.
- There is a 10% rate applies to interest payments to nonresident bondholders on bonds issued by Mongolian commercial banks.



## MYANMAR

Capital: Naypyidaw Population: 52,890,000

**GDP:** \$67.43 billion

**GDP by sector:**

- Agriculture 37.1%
- Industry 21.3%
- Services 41.6%

**Corporate tax rate:** 25%

**VAT standard rate:**

No VAT but commercial tax charged at 5%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / Nil / 10
- Non Resident: Nil / 15 / 15

**Ease of doing business rank:** 170

### Important Tax Guidelines

- Commercial Tax rate for the import and production of cigarettes rose from 100% to 120% and the Commercial Tax rate on tobacco, liquor and beer will rise from 50% to 60%.
- Tax Law of the Union 2015 provides that if parents live in a common household and are taken care of, the relief on personal income tax is 1,000,000 MMK per parent.



## NEPAL

Capital: Kathmandu Population: 28,980,000

**GDP:** \$21.14 billion

### GDP by sector:

- Agriculture 35.0%
- Industry 20.0%
- Services 45.0%

**Corporate tax rate:** 15%

**VAT standard rate:** 13%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 107

### Important Tax Guidelines

- Nepal individual income tax rates are progressive to 25%.
- There is rent tax charged at 10% introduced by Inland Rent Development.
- In Nepal, tax deduction at source applies to salary and wages



## NORTH KOREA

Capital: Pyongyang Population: 25,370,000

**GGDP:** \$12.38 billion

### GDP by sector:

- Agriculture 22.4%
- Industry 47.6%
- Services 30.0%

**Corporate tax rate:** 24.20

**VAT standard rate:** 10%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** N/A

### Important Tax Guidelines

- N/A



## OMAN

Capital: Muscat Population: 4,425,000

**GDP:** \$66.29 billion

### GDP by sector:

- Agriculture 1.2%
- Industry 65.1%
- Services 39.1%

**Corporate tax rate:** 12%

**VAT standard rate:** 5%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: Nil
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 66

### Important Tax Guidelines

- Oman has a five-year tax holiday to companies based on specified activities.
- Capital gains are taxed as ordinary corporate income, although profits /losses on the sale of securities listed on the Muscat Securities Market are not taxable/deductible.
- Branch corporations for foreign companies in Oman are subject to tax on their profits.
- There is no personal income or wealth tax in Oman.



## PAKISTAN

Capital: Islamabad Population: 193,200,000

**GDP:** \$283.70 billion

### GDP by sector:

- Agriculture 19.53%
- Industry 20.88%
- Services 59.59%

**Corporate tax rate:** 32%

**VAT standard rate:** Goods 17%  
Services 14 - 16%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 12.5 / 10 / Nil
- Non Resident: 12.5 / 10 / 15

**Ease of doing business rank:** 144

### Important Tax Guidelines

- Capital gains on listed securities are taxable at reduced rates.
- 10% rate is the general tax rate for dividends.
- 7.5% rate applies to dividends paid by companies engaged in power generation, by purchasers of power projects privatized by the Water and Power Development Authority or by companies supplying coal exclusively to power generation projects.
- The 12.5% rate applies to dividends paid by a stock fund if the dividend receipts are less than capital gains.
- The 15% rate applies to dividends paid by companies (other than power projects, stock funds, money market funds, income funds or other funds) if the recipient is a non-filer (that is, it does not file an income tax return).
- The general withholding tax rate for royalties is 15%. This tax is considered to be a final tax for nonresident.





## PHILLIPINES

Capital: Manila Population: 103,300,000

**GDP:** \$304.9 billion

### GDP by sector:

- Agriculture 9.49%
- Industry 33.48%
- Services 57.03%

**Corporate tax rate:** 30%

**VAT standard rate:** 12%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 0 / 0.75 to 20 / 20
- Non Resident: 15 or 30 / 30 / 30

**Ease of doing business rank:** 99

### Important Tax Guidelines

- Corporate tax is payable by domestic companies on all income derived from sources within and outside the Philippines.
- Foreign corporations, both resident and non-resident, are taxable only on income derived from sources within the Philippines.
- The corporate income tax rate both for domestic and resident foreign corporations is 30% based on net taxable income.
- Tax credits are available for taxes and duties paid on purchases of raw materials of products for export, domestic capital equipment, and domestic breeding stock and genetic materials.
- Income of residents is subject to tax at progressive rate of up to 32%.



## QATAR

Capital: Doha Population: 2,570,000

**GGDP:** \$152.5 billion

### GDP by sector:

- Agriculture 0.1%
- Industry 68.0%
- Services 31.9%

**Corporate tax rate:** 10%

**VAT standard rate:** 5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: Nil / 7 / 5

**Ease of doing business rank:** 83

### Important Tax Guidelines

- In Qatar there is an annual tax imposed on the taxpayer's taxable income derived from sources in the State during the previous taxable year.
- No sales tax, estate tax or gift tax. Subject to the provisions of tax agreements, payments made to non-residents with respect to activities not connected with a permanent establishment in the State shall be subject to a final withholding tax of 5% or 7%.
- There are no personal taxes, social insurance or other statutory deductions from salaries and wages paid within the country.
- Income arising from business activities (rent from property, consulting, etc) is taxable.



## RUSSIA

Capital: Moscow Population: 144,300,000

**GDP:** \$1.283 trillion

### GDP by sector:

- Agriculture 4.7%
- Industry 33.1%
- Services 62.2%

**Corporate tax rate:** 20%

**VAT standard rate:** 18%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 13 / N/A / N/A
- Non Resident: 15 / 20 / 20

**Ease of doing business rank:** 40

### Important Tax Guidelines

- As stated above, the standard corporation tax rate is currently 20% and this is also the rate of the profit tax paid by foreign enterprises deriving income as anon-residents.
- Capital gains are treated as ordinary business income and subject to profits tax.
- Value Added Tax is levied at a standard rate of 18% and applies to the sale of goods, works and services in Russia.
- Tax rate for tax base defined by taxpayers-controlling parties based on profit of the controlled foreign companies is 20%.
- Foreign legal entities deriving profits in connection with activities within Russia may be subject to withholding taxes on dividends, interest and royalties. The withholding tax rate 30% is applied in respect of income from securities issued by Russian companies.



## SAUDI ARABIA

Capital: Riyadh Population: 32,280,000

**GDP:** \$646.4 billion

### GDP by sector:

- Agriculture 3.2%
- Industry 60.4%
- Services 36.4%

**Corporate tax rate:** 20%

**VAT standard rate:** 5%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 5 / 5 / 15

**Ease of doing business rank:** 94

### Important Tax Guidelines

- Resident companies, the permanent establishments of nonresident companies and non-resident companies with income subject to tax from sources within the country are chargeable to tax. The applicable income tax rate is 20%, with the exception of tax rates for the gas and oil industries.
- Taxable income of a permanent establishment (branch) is subject to tax at a rate of 20%.
- Capital gains on transferable securities are exempt from tax if the securities are acquired on or after 30 July 2004.
- No VAT or other similar sales (or consumption) tax.
- No tax on employment income.
- No local duties payable.
- No real estate tax but Zakat (religious tax) may be payable on real estate if held for speculative purposes.
- Zakat is payable by individuals. Zakat is calculated at the rate of 2.5% and is chargeable on the total of the taxpayer's capital resources and income that are not invested in fixed assets.



## SINGAPORE

Capital: Singapore Population: 5,607,000

**GDP:** \$297.0 billion

### GDP by sector:

- Agriculture 0.0%
- Industry 25.0%
- Services 75.0%

**Corporate tax rate:** 17%

### VAT standard rate:

Goods and services are taxed at 7%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: Nil / 15 / 10

**Ease of doing business rank:** 2

### Important Tax Guidelines

- Resident and non-resident corporations are chargeable to corporate income tax on income accruing or derived in Singapore or income received in Singapore from outside Singapore.
- Companies and individuals are taxed on a preceding year basis.
- Goods and service tax, a value added tax, is levied on taxable goods and services in Singapore and on imports into the territory.
- Foreign branch profits and foreign services income remitted into Singapore by any resident person are exempt from tax.
- Dividends received from Singapore-resident companies are exempt from tax.
- Capital gains are generally not taxable, although transactions may be categorized as being trading in nature, and thus taxable.



## SOUTH KOREA

Capital: Seoul Population: 51,250,000

**GGDP:** \$1.411 trillion

### GDP by sector:

- Agriculture 2.6%
- Industry 39.2%
- Services 58.2%

**Corporate tax rate:** 22%

**VAT standard rate:** 10%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / 14 / Nil
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 5

### Important Tax Guidelines

- Capital gains are included in ordinary corporate income, but in relation to disposals of certain types of property, there is a separate additional tax which is a part of corporate income tax.
- Value Added Tax is imposed on the supply of goods and on imports of Goods. VAT paid on purchases is creditable against the VAT charged on sales.
- VAT rate is 10% and the export of goods and the provision of international services are zero-rated.
- Various tax incentives aimed at achieving specific national economic objectives have been provided under the tax law.
- Individuals are tax at progressive rates up to KRW 90.1 million + 38% of the amount exceeding KRW 80 million.
- Withholding tax applies to certain payments made to non-resident corporations without a permanent establishment in Korea at rates from 2% to 25%.



## SRI LANKA

Capital: Sri Jayawardenapura Population: 21,200,000

**GDP:** \$81.32 billion

### GDP by sector:

- Agriculture 12.8%
- Industry 29.2%
- Services 58.0%

**Corporate tax rate:** 15%

**VAT standard rate:** 11%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N / A
- Non Resident: 14 / 20 / 20

**Ease of doing business rank:** 110

### Important Tax Guidelines

- A deemed dividend tax is imposed on companies if the dividend distributed is less than 10% of the company's distributable profits.
- A standard rate of 10% applies to interest paid on deposits.
- Companies may offset the 10% withholding tax against their annual income tax liability.
- Withholding tax applies to amounts exceeding LKR500,000.



## SYRIA

Capital: Damascus Population: 18,430,000

**GDP:** \$40.41 billion

### GDP by sector:

- Agriculture 17.0%
- Industry 16.0%
- Services 67.0%

**Corporate tax rate:** 10% to 28%

**VAT standard rate:** N/A

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 175

### Important Tax Guidelines

- N/A



## TAIWAN

Capital: Taipei Population: 23,540,000

**GDP:** \$529.600 billion

### GDP by sector:

- Agriculture 1.6%
- Industry 29.2%
- Services 69.2%

**Corporate tax rate:** 17%

**VAT standard rate:** 5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A / 10 / 10
- Non Resident: 20 / 15 or 20 / 20

**Ease of doing business rank:** 19

### Important Tax Guidelines

- Domestic companies are taxed on a globally-earned income basis, while other entities pay tax only on income sourced in Taiwan.
- Enterprises operating in Taiwan with total taxable income over NT\$ 120,001 are taxed 17% (but the tax may not exceed 50% of the portion of taxable income over NT\$ 120,000).
- All gains and losses on the disposal of capital assets are taxable as current year income or deductible as expenses with a few exceptions.
- Export sales and export-related services are subject to zero tax rate.
- Financial institutions are subject to business turnover tax.
- Professional practitioners are not subject to VAT or business turnover tax for service revenue earned.



## TAJIKISTAN

Capital: Dushanbe Population: 8,735,000

**GGDP:** \$6.950 billion

### GDP by sector:

- Agriculture 23.3%
- Industry 22.8%
- Services 53.9%

**Corporate tax rate:** 25% and 15%  
for enterprises producing goods.

**VAT standard rate:** 18%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 12 / 12 / 15

**Ease of doing business rank:** 128

### Important Tax Guidelines

- Progressive scale 8-13% is applied for calculating income tax of individuals.
- Employment income of the non-residents is taxable at 25%.



## THAILAND

Capital: Bangkok Population: 68,860,000

**GDP:** \$406.8 billion

### GDP by sector:

- Agriculture 8.4%
- Industry 39.2%
- Services 52.4%

**Corporate tax rate:** 20%

**VAT standard rate:** 7%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 10 / 1 / 3
- Non Resident: 10 / 15 / 15

**Ease of doing business rank:** 46

### Important Tax Guidelines

- Capital gains are treated as part of ordinary income for the tax purposes.
- A profit remittance tax is imposed on profits remitted out of Thailand by Thai branches of foreign corporations.
- VAT is payable on imports and the supply of goods and services.
- VAT standard rate of 7% applies, although certain supplies are zero-rated or exempt.
- Withholding tax applicable to the payment of dividends by Thai corporations varies according to whether the corporation is listed on the Thailand Stock Exchange and whether the recipient owns at least 25% of the voting shares in the company paying the dividend.



## TURKMENISTAN

Capital: Ashgabat Population: 5,663,000

**GDP:** \$36.18 billion

### GDP by sector:

- Agriculture 12.7%
- Industry 49.3%
- Services 37.9%

**Corporate tax rate:** 8% and 20%  
for domestic corporations respectively.

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties):

- Resident: N/A / N/A / N/A
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** N/A

### Important Tax Guidelines

- The general Personal Income Tax rate is 10%, which applies to employment income, business and professional income, interest, royalties, income from immovable property, and capital gains.
- Residents of Turkmenistan are subject to corporate income tax (CIT) on globally-earned income; non-residents are subject to CIT only in respect of their Turkmenistan-sourced income.
- Branches of foreign legal entities are subject to a 20% CIT, whereas Turkmen legal entities are subject to an 8% CIT (or 2% CIT in cases where the company qualifies as a small or medium enterprise).
- Companies involved in oil and gas operations are subject to a 20% CIT, irrespective of the legal status/ownership structure.



## UAE

Capital: Abu Dhabi Population: 9,270,000

**GDP:** \$348.7 billion

### GDP by sector:

- Agriculture 0.8%
- Industry 56.1%
- Services 43.1%

**Corporate tax rate:** Up to 55% for oil & gas corporations & foreign bank branches and nil for others.

**VAT standard rate:** 5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 12 / 10 / 15

**Ease of doing business rank:** 26

### Important Tax Guidelines

- In UAE, there are no taxes levied by the Federal Government on income or wealth of companies and individual.
- Tax decrees issued by the emirates impose income tax at varying rates on taxable income of 'bodies corporate, where so ever incorporated', but the enforcement is generally limited to foreign oil exporting companies and foreign banks.
- No withholding taxes on outward remittances, whether of dividends, interest, royalties or fees for technical services etc. from businesses operating in the country.
- No personal taxes except municipal taxes of 5% on the annual rental of residential property.
- UAE imposed a 10% tax on hotel services and entertainment.



## UZBEKISTAN

Capital: Tashkent Population: 30,740,000

**GGDP:** \$62.64 billion

### GDP by sector:

- Agriculture 18.5%
- Industry 32.0%
- Services 49.5%

**Corporate tax rate:** 7.5%

**VAT standard rate:** 12%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / N/A
- Non Resident: 10 / 10 / 20

**Ease of doing business rank:** 87

### Important Tax Guidelines

- The tax system consists of two modes: the single tax and general tax regime.
- Single tax payers are micro and small enterprises, and enterprises of trade and catering, legal entities in the implementation of the lottery, sweepstakes and other games based on risk.
- Other companies fall under the general tax regime. The basic rate of tax on company profits is 7.5% (commercial banks: 15%).
- Value added Tax applies to all taxable sales of goods, works and services at a rate of 20%.
- No special capital gains tax.



## VIETNAM

Capital: Hanoi Population: 92.700,000

**GDP:** \$202.6 billion

**GDP by sector:**

- Agriculture 17.0%
- Industry 39.0%
- Services 44.0%

**Corporate tax rate:** 22% but corporations under VDN 20B turnover are taxed at 20%

**VAT standard rate:** 10%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A / 5 / 10

**Ease of doing business rank:** 82

### Important Tax Guidelines

- Corporate Income Tax is charged on any Enterprise carrying on a trade, business in Vietnam.
- All Incomes (plus those from overseas) of the Enterprises registered in accordance with the Law of Enterprises are subject to Corporate Income Tax.
- For resident individuals Personal, Income Tax is levied on their Incomes earned within and outside Vietnam's territory, while non-residents are taxed only on their Incomes earned in Vietnam.
- Value Added Tax is levied on import goods and goods and service used in manufacturing, trading or consumption in Vietnam.
- Excise Tax is applied to specific luxury goods and services.



## YEMEN

Capital: Sana'a Population: 27,580,000

**GDP:** \$27.32 billion

**GDP by sector:**

- Agriculture 15.8%
- Industry 32.1%
- Services 52.1%

**Corporate tax rate:** 20%

**VAT standard rate:** 5%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 179

### Important Tax Guidelines

- N/A





# AUSTRALIA

Australia	82
New Zealand	82
Papua New Guinea	83



## AUSTRALIA

Capital: Canberra Population: 24,130,000

**GDP:** \$1.205 trillion

**GDP by sector:**

- Agriculture 4.0%
- Industry 27.3%
- Services 68.8%

**Corporate tax rate:** 30% or 28.5% for "small business" entities

**VAT standard rate:** 20%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: Nil / Nil / Nil
- Non Resident: 30 / 10 / 30

**Ease of doing business rank:** 15

### Important Tax Guidelines

- Resident companies are subject to tax on income derived from all sources.
- Non-resident companies are subject to pay income tax only on locally sourced income.
- Resident individuals are subject to pay tax on non-exempt income from globally-earned sources.
- Resident individuals are subject to tax only on locally sourced income.
- Branches of foreign companies are taxed on locally sourced income at the prevailing corporate tax rate as stated above.
- Wholly-owned groups of local companies and trusts can consolidate their income tax liability.
- Capital gains and losses are included in taxable income for both individuals and companies.



## NEW ZEALAND

Capital: Wellington Population: 4,693,000

**GDP:** \$186.4 billion

**GDP by sector:**

- Agriculture 7.0%
- Industry 19.0%
- Services 74.0%

**Corporate tax rate:** 28%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 33 / 28 / Nil
- Non Resident: 30 / 15 / 30

**Ease of doing business rank:** 1

### Important Tax Guidelines

- Credits are available for the difference between foreign tax paid and tax payable on foreign income.
- Revenue losses can be transferred between companies with at least 66% common ownership.
- Dividends between companies can be exempt if there is 100% common ownership.
- Withholding tax must be deducted from dividends to the extent that they are not imputed.



## PAPUA NEW GUINEA

Capital: Port Moresby Population: 8,805,000

**GDP:** \$16.93 billion

**GDP by sector:**

- Agriculture 29.9%
- Industry 37.6%
- Services 32.4%

**Corporate tax rate:** Resident 30%  
Non-resident 48%

**VAT standard rate:** 10%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: Nil / 15 / Nil
- Non Resident: 15 / 15 / 10 or 30

**Ease of doing business rank:** 119

### Important Tax Guidelines

- Resident corporations are subject to tax on their global-earned income.
- Non-resident corporations are subject to tax on their locally earned income.
- Residents are subject to tax on their global-earned income.
- Non-residents are subject to tax only on their locally earned income.
- Foreign tax credit may be available to offset foreign tax paid.





# NORTH AMERICA

Antigua & Barbuda	86	Honduras	91
Barbados	86	Mexico	91
Canada	87	Jamaica	92
Costa Rica	87	Nicaragua	92
Cuba	88	Panama	93
Dominican Republic	88	Puerto Rico	93
El Salvador	89	Saint Kitts & Nevis	94
Grenada	89	Saint Lucia	94
Guatemala	90	Trinidad & Tobago	95
Haiti	90	United States	95



## ANTIGUA & BARBUDA

Capital: St. John's Population: 100,963

**GDP:** \$2.372 billion

### GDP by sector:

- Agriculture 2.1%
- Industry 19.6%
- Services 78.3%

**Corporate tax rate:** 25%

**VAT standard rate:** 15%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: Nil / Nil / Nil
- Non Resident: 25 / 25 / 25

**Ease of doing business rank:** 113

### Important Tax Guidelines

- Relief is available for double taxation.
- Personal income tax is payable at progressive rates.
- Branch income is taxed at the same rate as corporations.
- The resident branch of a foreign company is considered as a separate company for tax purposes.
- VAT exempt services include financial services, local transport, the sale of residential land, education, long-term accommodation (greater than 45 days), and medical and veterinary services.



## BARBADOS

Capital: Bridgetown Population: 264,300

**GDP:** \$5.00 billion

### GDP by sector:

- Agriculture 2.8%
- Industry 11.7%
- Services 85.5%

**Corporate tax rate:** 25%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 12.5 / 12.5 / Nil
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 117

### Important Tax Guidelines

- Resident companies are taxed on income earned from globally-earned sources.
- Non-resident companies are taxed only on income earned from local sources.
- Resident and domiciled individuals are subject to tax on their globally-earned income.
- Non-resident individuals are subject to tax only on locally sourced income.
- Resident but non-domiciled individuals are subject to tax on their locally sourced income and on income that will benefit Barbados.
- Resident individuals are subject to personal income tax based on progressive rates.
- Branch profits transferred to the parent office are subject to an additional 10% withholding tax.



**CANADA**

Capital: Ottawa Population: 31,720,000

**GDP:** \$1.672 trillion

**GDP by sector:**

- Agriculture 1.6%
- Industry 27.7%
- Services 70.7%

**Corporate tax rate:** 26.8%

**VAT standard rate:** 5%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 10 / 4.9 to 35 / 5 to 35

**Ease of doing business rank:** 22

**Important Tax Guidelines**

- Resident companies and individuals are subject to income tax on their globally-earned income.
- Non-resident companies and individuals are subject to income tax on business and employment income.
- Non-resident companies and individuals are required to pay tax on 50% of the capital gains on disposing of certain specified Canadian assets and 100% of gains on disposing of certain other property such as Canadian resource property.
- Where capital loss arises, only 50% of that loss is recognized.
- Other taxes to be paid by companies include federal, provincial and municipal taxes.
- The territory where a corporation conducts business and the nature of operations determines the tax rates.
- Non-resident companies pay a branch tax of 25% for carrying on business in Canada.
- This tax is payable based on notional distributions of branch profits to the foreign head office, and the rate is subject to reduction by treaty.
- Goods and Services Tax at 5% is imposed by the federal government on a range of goods and services. Basic foods, health care and education are exempted.



**COSTA RICA**

Capital: San José Population: 4,140,000

**GGDP:** \$61.5 billion

**GDP by sector:**

- Agriculture 5.5%
- Industry 18.6%
- Services 75.9%

**Corporate tax rate:** 30%

**VAT standard rate:** 13%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 5 or 15 / N/A / N/A
- Non Resident: 5 or 15 / 5.5 or 15 / 2

**Ease of doing business rank:** 62

**Important Tax Guidelines**

- The corporate tax rate is dependent on a company's gross revenue.
- Capital gains are taxed as part of the company's taxable income.
- Income tax for individuals is charged at a progressive tax rate, the minimum rate being 15%. This includes all the salaries, commissions, bonus and fringe benefits received by an employee.



## CUBA

Capital: Havana Population: 11,820,000

**GDP:** \$132.9 billion

**GDP by sector:**

- Agriculture 3.9%
- Industry 23.0%
- Services 72.2%

**Corporate tax rate:** N/A

**VAT standard rate:** N/A

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** N/A

### Important Tax Guidelines

- N/A



## DOMINICAN REPUBLIC

Capital: Santo Domingo Pop: 9,210,000

**GDP:** \$75.40 billion

**GDP by sector:**

- Agriculture 5.1%
- Industry 32.8%
- Services 62.2%

**Corporate tax rate:** 27%

**VAT standard rate:** 18%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 10 / N/A / N/A
- Non Resident: 10 / 10 / 27

**Ease of doing business rank:** 103

### Important Tax Guidelines

- Gains realised by qualifying holding companies on the disposal of shares are not subject to taxation.
- Resident individuals are liable to income tax on income originating from the Dominican Republic as well as on certain overseas investment income.
- Non-resident individuals are liable to income tax only.
- Certain types of investment income earned by residents from foreign sources are subject to local taxation.





## EL SALVADOR

Capital: San Salvador Population: 6,200,000

**GDP:** \$27.70 billion

### GDP by sector:

- Agriculture 10.6%
- Industry 25.3%
- Services 64.1%

**Corporate tax rate:** 30%

**VAT standard rate:** 13%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 5 / 10 / 10
- Non Resident: 5 / 20 / 20
- Non Resident: 5 / 25 / 25

**Ease of doing business rank:** 95

### Important Tax Guidelines

- Income tax is charged at 25% for companies earning revenues of up to \$150,000.
- For all others income tax is charged at 30%.
- Corporations are required to prepay their estimated tax liability on a monthly basis of 1.75% of gross revenue.
- Capital gains are taxed at 10%.



## GRENADA

Capital: St. George's Population: 94,000

**GGDP:** \$1.10 billion

### GDP by sector:

- Agriculture 9.6%
- Industry 13.8%
- Services 76.6%

**Corporate tax rate:** 30%

**VAT standard rate:** N/A

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 138

### Important Tax Guidelines

- Resident companies are taxed on their globally-earned non-exempt income.
- Non-resident companies are taxed on the profits of locally based branch operations.
- Transfer property tax as well as a stamp duty charge exists in respect of certain transactions.
- Resident (ordinarily and domicile) pay income tax on their globally-earned income.
- Non-resident individuals pay tax on income arising from the carrying on business in the country.



## GUATAMALA

Capital: Guatemala Population: 14,200,000

**GDP:** \$72.00 billion

**GDP by sector:**

- Agriculture 13.2%
- Industry 23.5%
- Services 63.3%

**Corporate tax rate:** 30%

**VAT standard rate:** 13%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: 5 / 10 / 10
- Non Resident: 5 / 20 / 20
- Non Resident: 5 / 25 / 25

**Ease of doing business rank:** 88

### Important Tax Guidelines

- Income taxes can be anticipated using Solidarity tax.
- The amount paid is then credited over the following three years.
- Transfer pricing and thin capitalization rules do not exist.
- Withholding tax rates for non-resident companies range from 5% up to 15%.



## HAITI

Capital: Port-au-Prince Population: 8,500,000

**GDP:** \$7.80 billion

**GDP by sector:**

- Agriculture 21.5%
- Industry 20.3%
- Services 58.2%

**Corporate tax rate:** 30%

**VAT standard rate:** 10%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: N/A

**Ease of doing business rank:** 181

### Important Tax Guidelines

- N/A



## HONDURAS

Capital: Tegucigalpa Population: 6,600,000

**GDP:** \$21.40 billion

### GDP by sector:

- Agriculture 13.8%
- Industry 26.6%
- Services 59.6%

**Corporate tax rate:** 25%

**VAT standard rate:** 15%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / 25
- Non Resident: 10 / 10 / 25

**Ease of doing business rank:** 105

### Important Tax Guidelines

- Resident companies are subject to tax on their globally-earned income, while non-resident companies are subject to tax only on income derived from local sources.
- Resident individuals and citizens are taxed on income earned from globally-earned sources, while non-residents are taxed only on income earned from local sources.
- Personal income taxes are charged at progressive rates.
- Branch income is subject to tax only if earned from local sources.



## JAMAICA

Capital: Kingston Population: 2,770,000

**GGDP:** \$14.60 billion

### GDP by sector:

- Agriculture 6.7%
- Industry 21.3%
- Services 72%

### Corporate tax rate:

Regulated corporations: 33.33%

Unregulated corporations: 25%

**VAT standard rate:** 16.5%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 15 / 25 / Nil
- Non Resident: 33.33 / 33.33 / 33.33
- Individual: 25 / 25 / 25

**Ease of doing business rank:** 67

### Important Tax Guidelines

- Resident and domiciled individuals are subject to tax on their globally-earned income, while non-resident individuals are subject to tax only on locally sourced income.
- Non-domiciled individuals working locally are taxed on locally sourced income.
- There exists a tax-free threshold and individuals are subject to tax at 25% on income that exceeds this threshold.
- Branch income is taxed at the same rate as local companies, while the transfer of profits is subject to withholding tax or a lower treaty rate.



## MEXICO

Capital: Mexico City Population: 119,500,000

**GDP:** \$2.50 trillion

### GDP by sector:

- Agriculture 3.7%
- Industry 33.1%
- Services 63.2%

**Corporate tax rate:** 30%

**VAT standard rate:** 16%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 10 / 4.9 to 35 / 5 to 35

**Ease of doing business rank:** 47

### Important Tax Guidelines

- Each state has specific taxes for its inhabitants.
- Where transactions between related parties are not made at market price, treasury has the mandate to alter the tax loss or profit.
- Resident individuals are subject to an additional tax of 10% on dividends or profits distributed by both resident and foreign companies.
- Taxes due on foreign income can be offset against taxes payable in Mexico.



## NICARAGUA

Capital: Managua Population: 5,770,000

**GDP:** \$14.30 billion

### GDP by sector:

- Agriculture 16.9%
- Industry 24.3%
- Services 58.8%

**Corporate tax rate:** 30%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 10 / 10 / 10
- Non Resident: 15 / 15 / 15

**Ease of doing business rank:** 127

### Important Tax Guidelines

- A territorial local tax system exists where only locally generated income or income that has an effect on the country is subject to tax.
- Resident individuals, citizens and non-resident individuals are subject to tax only on their locally generated income.
- The country does not recognize any foreign tax credits.



## PANAMA

Capital: Panama City Population: 4,034,000

**GDP:** \$59.3 Billion

**GDP by sector:**

- Agriculture 2.7%
- Industry 14.3%
- Services 83.0%

**Corporate tax rate:** 25%

**VAT standard rate:** Movable goods and services attract a transfer tax of 7%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: 5, 10 or 20 / NA / NA
- Non Resident: 5, 10 or 20 / 12.5 / 12.5

**Ease of doing business rank:** 70

### Important Tax Guidelines

- Corporations are required to pay corporate tax at the rate above.
- Individuals pay income tax on a progressive scale.
- There exists a minimum income tax system as an alternative. This applies to all companies except small companies with revenues of up to \$ 1,500,000 per annum.
- Sale of real estate property is taxed at 10% of the net profit realized. Tax on the sale of shares and securities is calculated using a different method.



## PUERTO RICO

Capital: San Juan Population: 3,400,000

**GGDP:** \$100.90 billion

**GDP by sector:**

- Agriculture 0.8%
- Industry 50.1%
- Services 49.1%

**VAT standard rate:** 7%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 10 / 29 / 29

**Ease of doing business rank:** 55

### Important Tax Guidelines

- Resident companies are subject to tax on their globally-earned income
- Non-resident companies are subject to tax on income derived from local sources.
- Resident individuals are taxed on their globally-earned income.
- Non-resident individuals are only taxed on their locally sourced income.
- Branch income is subject to a 10% tax on the dividend equivalent amount.
- Specific eligible activities attract a reduced corporate income tax rate for companies.



## SAINT KITTS & NEVIS

Capital: Basseterre Population: 38,500

**GDP:** \$1.00 billion

### GDP by sector:

- Agriculture 1.3%
- Industry 27.2%
- Services 71.5%

**Corporate tax rate:** 33%

**VAT standard rate:** 17%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 10 / 10 / 10

**Ease of doing business rank:** 134

### Important Tax Guidelines

- Resident companies are subject to tax on their globally-earned income and relief is available for double taxation.
- Non-resident companies are subject to tax only on locally derived income.
- A resident branch of a foreign company is regarded as a separate company and is subject to tax as a local company.



## SAINT LUCIA

Capital: Castries Population: 158,400

**GDP:** \$1.50 billion

### GDP by sector:

- Agriculture 2.9%
- Industry 14.1%
- Services 83.0%

**Corporate tax rate:** 30%

**VAT standard rate:** 15%

**Withholding tax rate** (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: Nil / 15 / 25

**Ease of doing business rank:** 86

### Important Tax Guidelines

- Resident entities are taxed on their globally-earned income, while non-resident companies on locally derived income.
- Resident individuals are subject to tax on their globally-earned income.
- Individuals not ordinarily resident in the country are subject to tax only on income received in the country.
- Non-resident individuals are subject to income tax on locally generated income and income from activities performed in the country.
- A reduced rate VAT rate of 8% is charged on goods and services supplied by hotels.
- Withholding tax is not paid by non-residents for payments of an income nature. Similarly, payments to residents for labor contracts and certain services are not charged withholding tax.



## TRINIDAD & TOBAGO

Capital: Port of Spain Population: 1,350,000

**GDP:** \$23.60 billion

### GDP by sector:

- Agriculture 0.5%
- Industry 13.9%
- Services 85.6%

**Corporate tax rate:** 25%

**VAT standard rate:** 15%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / Nil / Nil
- Non Resident: 10 / 15 / 15

**Ease of doing business rank:** 96

### Important Tax Guidelines

- Resident corporations are subject to tax on their globally-earned income.
- Non-resident corporations are subject to tax only on locally sourced income.
- VAT on exports and basic foodstuff is zero-rated. Services such as real estate transactions, financial services and insurance services are VAT exempt.
- Transfers of commercial real estate and several documents attract Stamp Duty at rates of 2%, 5% and 7%.



## UNITED STATES

Capital: Washington DC Population: 325,600,000

**GGDP:** \$17.42 trillion

### GDP by sector:

- Agriculture 1.1%
- Industry 19.4%
- Services 79.5%

**Corporate tax rate:** 38.92%

**VAT standard rate:** N/A

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 30 / 30 / 30

**Ease of doing business rank:** 8

### Important Tax Guidelines

- Taxes are charged federal and state level. Most states impose single stage sales taxes.
- Companies incorporated in the United States, as well as US citizens and residents pay tax on their globally-earned income.
- Tax deductions or credits are available to avoid double taxation.
- Non-resident companies and individuals pay tax only on income connected to a US trade or business.
- Profits and earnings by the US branch of a foreign corporation are taxed at the regular corporate tax rates.
- However, an additional 30% branch level tax is charged if the after-tax earnings of the branch are not reinvested in the business by the close of the tax year, or if they are repatriated in a later tax year.
- Taxes paid to the states and municipalities can be offset against the federal income tax return in the year paid or accrued.







# SOUTH AMERICA

Argentina	98	Paraguay	102
Bolivia	99	Peru	102
Brazil	99	Uruguay	103
Chile	100	Venezuela	103
Colombia	100		
Ecuador	101		
Guyana	101		



## ARGENTINA

Capital: Buenos Aires Population: 42,980,000

**GDP:** \$540.2 billion

**GDP by sector:**

- Agriculture 9.3%
- Industry 29.7%
- Services 61.0%

**Corporate tax rate:** 35%

**VAT standard rate:** 21%

**Withholding tax rate:** (Dividends/Interest/Royalties)

- Registered taxpayer: Resident:  
Nil, 10, or 35 / 6 / 6
- Non-resident:  
Nil, 10, or 35 / 15.05 or 35 / 21 or 28
- Non-registered taxpayer: Resident:  
Nil, 10, or 35 / 28 / 28
- Non Resident:  
Nil, 10 or 35 / Nil, 15.05 or 35  
/ 21 or 28

**Ease of doing business rank:** 124

### Important Tax Guidelines

- Resident companies are subject to income tax on all their income, while non-resident companies pay tax on locally sourced income.
- Resident and non-resident individuals are subject to income tax on locally earned income.
- Foreign taxes paid may be credited against the country's income tax up to the limit of the local tax on the same income.
- Transactions between related parties are deemed to take place at arm's length for tax purposes.
- Assets originating from Argentina, assets not originating from Argentina and shares issued by local companies are subject to personal assets tax (wealth tax).



## BOLIVIA

Capital: Sucre Population: 10,890,000

**GDP:** \$33.81 billion

### GDP by sector:

- Agriculture 13.6%
- Industry 38.1%
- Services 52.0%

**Corporate tax rate:** 25%

**VAT standard rate:** 13%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 12.5 / 12.5 / 12.5

**Ease of doing business rank:** 149

### Important Tax Guidelines

- Both resident and non-resident individuals are subject to tax only on their locally sourced income.
- Personal income is taxed at a flat rate of 13%.



## BRAZIL

Capital: Brasilia Population: 207,700,000

**GDP:** \$1.796 trillion

### GDP by sector:

- Agriculture 5.5%
- Industry 18.5%
- Services 76.0%

**Corporate tax rate:** 34%

(composed of IRPJ at the rate of 25% and CSLL at the rate of 9%)

### VAT standard rate:

Federal VAT (IPI): 10% to 15%

State sales and service tax (ICMS): 18% to 20%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: NA / 15 to 22.5 / NA
- Non Resident: Nil / 15 / 15
- Non-resident companies in tax haven countries  
Nil / 25 / 25

**Ease of doing business rank:** 123

### Important Tax Guidelines

- Most companies pay corporate taxes at the rated stated above.
- Tax credits are available to relieve double taxation.
- Individuals are subject to personal income tax, social security tax, and gift and inheritance tax.
- Personal income tax is charged at progressive rates from 7.5% to 27.5%.
- Resident individuals pay tax on their globally-earned earnings and on the disposal of assets and rights.
- Income tax of 15% is charged on capital gains arising from the sale of financial instruments.



## CHILE

Capital: Santiago Population: 17,910,000

**GGDP:** \$262.22 billion

### GDP by sector:

- Agriculture 5.1%
- Industry 41.8%
- Services 53.1%

**Corporate tax rate:** 25 or 25.5%

**VAT standard rate:** 19%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: N/A
- Non Resident: 35 / 35 / 30

**Ease of doing business rank:** 57

### Important Tax Guidelines

- Income tax is divided into six categories depending on the type of income. Tax is calculated differently under each category.
  - i. First Category Tax contains profits from commercial activities, which are taxed at 21%.
  - ii. Second Category Tax is a progressive tax and contains income from wages, salaries, overtime payments, bonuses, fees, gratuities, profit sharing and any other form of remuneration. The highest tax rate is 40%.
- All exports are VAT exempt. VAT payable on imports and on local sales and services may be offset against VAT receivable on sales or services rendered.
- Withholding tax rates may be reduced in instances where Chile has signed a double tax agreement with the particular country.



## COLOMBIA

Capital: Bogota Population: 48,650,000

**GDP:** \$397.40 billion

### GDP by sector:

- Agriculture 9.3%
- Industry 38.0%
- Services 52.7%

**Corporate tax rate:** 34%

**VAT standard rate:** 16%

### Withholding tax rate: (Dividends/Interest/Royalties)

- Resident: 0 - 35 / 0 - 35 / 0 - 35
- Non Resident: 0 - 5 / 5 or 15 / 15

**Ease of doing business rank:** 53

### Important Tax Guidelines

- Capital gains are taxed as ordinary income.
- Staple products are subject to VAT at 5%, while some exempt goods and services are zero-rated.
- Activities such as agriculture, creation of hotels and national production of software attract special tax incentives.
- Colombia has 'free-trade zones' and 'special import-export systems' with duty-free entry of capital goods and materials to be used in the production goods for exportation.



## EQUADOR

Capital: Quito Population: 16,390,000

**GDP:** \$84.50 billion

### GDP by sector:

- Agriculture 8.4%
- Industry 36.1%
- Services 57.5%

**Corporate tax rate:** 22% to 25%

**VAT standard rate:** 12%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / Nil to 2 / 8
- Non Resident: Nil or 10 / Nil to 22 / 22 or 35

**Ease of doing business rank:** 1314

### Important Tax Guidelines

- Capitalised profits are subject to tax at 15%.
- VAT is zero-rated on food items, agricultural inputs, medical goods, books and government purchases and some professional services.
- There are no provisions for filing consolidated returns or relieving losses within a group.
- There is tax credit on company tax paid against withholding tax for non-resident companies. Interest payments are exempt from withholding tax.



## GUYANA

Capital: Georgetown Population: 773,303

**GDP:** \$3.446 billion

### GDP by sector:

- Agriculture 20.3%
- Industry 34.8%
- Services 44.9%

**Corporate tax rate:** 27.5%

**VAT standard rate:** 14%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: Nil / Nil / Nil
- Non Resident: 20 / 20 / 20

**Ease of doing business rank:** 114

### Important Tax Guidelines

- Non-commercial entities are subject to corporate tax at 30%.
- Commercial entities are subject to corporate tax at 40% of chargeable profits or 2% of turnover, whichever is higher.
- Capital gains are subject to tax at 20%.
- Companies are required to pay property on their net assets of the company on the 1st of January each year.
- There are some items that are zero-rated and few are VAT exempt.



## PARAGUAY

Capital: Asuncion Population: 6,725,000

**GGDP:** \$58.30 billion

### GDP by sector:

- Agriculture 20.4%
- Industry 17.7%
- Services 61.9%

**Corporate tax rate:** 10%

**VAT standard rate:** 10%

### Withholding tax rate (Dividends/Interest/Royalties):

- Resident: 10 / 10 / 10
- Non Resident: 15 / 6, 15, 30 / 15, 30

**Ease of doing business rank:** 106

### Important Tax Guidelines

- Capital gains are taxed at the same rate as corporation income.
- Agribusiness Income Tax is charged at 10% of the tax base on income earned from farming activities within Paraguay.
- Dividends and remittances by branches to their home offices are subject to withholding tax at 5% and 15% respectively.
- Dividends paid abroad to non-residents are subject to 15% withholding tax.



## PERU

Capital: Lima Population: 31,770,000

**GDP:** \$192.1 billion

### GDP by sector:

- Agriculture 25.8%
- Industry 17.4%
- Services 56.8%

**Corporate tax rate:** 28%

**VAT standard rate:** 18%

### Withholding tax rate: (Dividends/Interest/Royalties)

- Resident: N/A
- Non Resident: 5 / 4.99 / 30

**Ease of doing business rank:** 54

### Important Tax Guidelines

- Corporate Income Tax rates vary for different periods
  - i. A rate of 28% is applicable for 2015 – 2016
  - ii. A rate of 27% will be applied in 2017 – 2018 and
  - iii. In 2019 the rate will be 26%.
- Activities that attract Value Added Tax charge include the sale of goods, the supply and use of services in the country and the import of goods made at different stages of the economic cycle.
- Residents are subject to tax on their globally-earned income, while non-residents are taxed only on their locally sourced income.



## URUGUAY

Capital: Montevideo Population: 3,444,000

**GDP:** \$52.42 billion

### GDP by sector:

- Agriculture 7.5%
- Industry 20.6%
- Services 71.9%

**Corporate tax rate:** 25%

**VAT standard rate:** 22%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident:  
Nil or 7 / Nil, 7, or 12 / Nil or 12
- Non Resident:  
Nil or 7 / Nil, 7, or 12 / Nil or 12

**Ease of doing business rank:** 90

### Important Tax Guidelines

- Personal and corporate income tax is charged only on locally sourced income.
- Resident individuals and companies are taxed on their foreign sourced financial income.
- Locally sourced income for resident and non-resident individuals is taxed at varying rates depending on the type of income.
- Industrial and commercial activities are charged a flat rate of 25% for profits and capital gains.



## VENEZUELA

Capital: Caracas Population: 31,570,000

**GDP:** \$404.10 billion

### GDP by sector:

- Agriculture 3.9%
- Industry 32.9%
- Services 63.2%

**Corporate tax rate:** 34%

**VAT standard rate:** 12%

### Withholding tax rate (Dividends/Interest/Royalties) :

- Resident: 34 / Nil or 5 / 5
- Non Resident: 34 / Nil / Nil

**Ease of doing business rank:** 187

### Important Tax Guidelines

- Corporate tax rates exist on a progressive scale for income and capital gains.
- Branch profits repatriated back to the parent company are subject to withholding tax at the local rates.
- Overseas tax receivable can be offset against tax payable.



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