Rwanda and Hong Kong have signed a comprehensive agreement to avoid double taxation, reducing withholding tax rates for Hong Kong investors in Rwanda by up to half.

The deal was finalized on Thursday, October 9, following a bilateral meeting between Rwanda’s Minister of Finance and Economic Planning, Yusuf Murangwa, and Hong Kong officials in the Special Administrative Region.

Under the agreement, withholding taxes on dividends, interest, royalties, and technical service fees for Hong Kong residents in Rwanda will drop to between 7.5 and 10 percent, down from the previous rate of up to 15 percent. The deal also allows investors to claim a tax credit in Hong Kong for any tax already paid in Rwanda on the same income, subject to Hong Kong’s Inland Revenue Ordinance.

The agreement is part of Rwanda’s ongoing efforts to strengthen financial and trade ties with international partners, particularly countries participating in the Belt and Road Initiative. It is expected to make cross-border investment more attractive, simplify tax planning, and support the growth of bilateral trade and investment.

Once both governments complete their ratification procedures, the agreement will take effect. In Hong Kong, the Chief Executive in Council will issue an order under the Inland Revenue Ordinance, which will then be tabled at the Legislative Council for review.

For Rwanda, the deal represents a step toward a more favorable investment climate, encouraging foreign investors to participate in the country’s economic development while avoiding the burden of double taxation.