

COUNTRY PROFILE



Jordan

Tax overview

Personal Income Tax	5%-30%, progr.
Corporate Income Tax	20% Standard Rate
Gift Tax (direct line)	None
Inheritance Tax (direct line)	None
Wealth Tax	None

Legal System

The Hashemite Kingdom of Jordan is a constitutional monarchy, which applies a mixture of Ottoman Law and Sharia.

Currency and Foreign Exchange Controls

The currency is the Jordanian Dinar (JOD). Jordan has no foreign exchange controls.

Personal Income Tax

Jordan has a territorial system of taxation for individuals. Jordanian residents are subject to tax on Jordanian source income at progressive rates from 5% to 30%.

Corporate Income Tax

Jordan has a territorial system of taxation for corporations, subject to tax on Jordanian sourced income at a standard rate of 20%. However, other rates apply to specific industry sectors, ranging from 14% for drug and textiles manufacturing to 35% for banks.

A "National Contribution Tax" also applies to corporations at rates ranging from 1% to 7%.

Sales Tax (VAT)

Jordan levies a 16% sales tax on most goods and services, with some exemptions.

Anti-Avoidance Rules

Jordan does not have general Anti-Avoidance rules, and does not have formal Transfer Pricing rules, but requires related party transactions to be arm's length. Jordan has Thin Capitalization rules, but has no Controlled Foreign Corporation (CFC) rules.

Double Tax Treaties (DTTs)

Jordan has DTTs with Algeria, Azerbaijan, Bahrain, Canada, Czech Republic, Egypt, France, Kuwait, Lebanon, Malta, Netherlands, Qatar, Saudi Arabia, UAE, and the UK.

OECD Multilateral Convention

Jordan has ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2020, but it is not in effect. The Convention requires parties to exchange information "on request," and allows parties to agree spontaneous and automatic exchange.

Common Reporting Standard (CRS)

Jordan has not executed the Multilateral Competent Authority Agreement (MCAA) to implement automatic exchange under CRS, but has committed to joining CRS.

FATCA

Jordan has not executed a FATCA Intergovernmental Agreement (IGA) with the US, and is not treated as having an "agreement in substance."

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