JORDAN

Jordan - Mixed (Civil and Islamic law)

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Incorporating a company in Jordan

Jordan taxes

If you are want to do business in Jordan, this article will educate you on the tax laws for a LLC(WLL), which is the most common legal entity in Jordan.

Jordan taxes corporate income under a territorial tax system. This means that usually offshore income, from our research, and your results may vary, is not subject to taxation. However, income from foreign branches and dividends received from non-resident entities may be taxed at a flat rate of 10%. The standard corporate income tax rate is 20%. For companies involved in the industrial sector income tax rate is 14%. Energy, telecommunications, mining, insurance and financial services companies are taxed at a 24% rate. Banks are taxed at 30%. Jordan ranks 70th when compared to corporate tax rate worldwide.

The value added tax (VAT) rate in Jordan is 16.00%, which ranks Jordan as 101th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 14.25% to the equivalent of a social security fund and an employee will contribute 7.50%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 90hours. Contributing to this is the number of yearly labor tax payments, which is 26 in JO.

Thin capitalisation mandates are in effect. Thin capitalisation refers to any sort of restrictions on companies' debt-to-asset ratios. Dividends received from a resident company are not taxable. Dividends received from a non-resident entity may be subject to a 10% final tax. Dividends are payments of earnings of the business, passed by the board, to a particular class of shareholders. Dividends can be one of the following stock, cash, or property. Capital Gains are usually tax-exempt. However, those obtained from depreciable assets and capital gains from banks, telecommunications, financial institutions and insurance companies may be taxable. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell sells a capital asset for a price that is higher than the purchase price.

There is no withholding tax on dividends paid to non-residents, except for profit distributions of financial institutions, which are taxed at 5%. Payments on interests and royalties to non-residents are subject to a 10% withholding tax.
There is no known tax on wealth in Jordan. There are no known inheritance and transfer taxes in JO. There is a real property tax. There are no widely used credits for innovation spend that include tax relieft in Jordan.

The above is not tax or legal advice for your company situation. Incorporations.io can refer you to a tax advisor in Jordan who will advise you. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Jordan is 16% which ranks 101 in the world.

- ✖ **Patent box**
- ✖ **RND credit**
- ✖ **Wealth tax**
- ☑ **Estate tax**
- ✖ **Transfer taxes**
- ✖ **Asset taxes**
- ✖ **Capital duties**

- 21 **Tax treaties**
- 0% **Offshore Tax**
- 20% **Corp rate**
- - **Loss carryback years**
- 10 **Corporate time**
- 16% **VAT rate**
- 0% **Capital gains**
- No **AEOI planned**

Jordan Legalese

When looking for a jurisdiction in which to incorporate, the first thing to look at is the legal code. The body of law in Jordan is mixed (civil and islamic law) law. You will want to get some local advice as to how to best structure a company in Jordan. Electronic signatures are permitted.

The country code JO is for Jordan and the most common legal entity type in Jordan is a LLC(WLL).

When setting up, budget about 8 weeks to put together the paperwork and file a LLC(WLL) in JO. The types of currencies you can use to setup your company is often JOD and any legal currency.

Yes, one is allowed to re-domicile a LLC(WLL) from JO. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC(WLL) in JO by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is permitted, up to 50% of the ownership of the LLC(WLL).

A legal entity is only required to have 1 director on the board. Additionally, corporate directors are not permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an address which can receive any official legal correspondance on behalf of the business. However, a corporate secretary is not always necessary, at least not by law.

There is an obligation to file yearly tax returns. Consequently, there is oftentimes a requirement to have these accounts audited.

Overall we think Jordan is a ok option and have given it a score of 58 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ☑ **Shareholders not disclosed in a public registry**
- ☑ **Redomiciliation permitted**
- ☑ **Registered office required**
- ✗ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ☑ **Local Director not required**
- ☑ **Electronic signature**

1 **Shareholders required**

1 **Directors required**

8 weeks **to form**

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Country Info

National Flag of

المملكة الأردنية الهاشمية (ara)

$ Currency

JOD

Area Code

+962

Capital

Amman

Region

Western Asia

Native Languages

Arabic