

## COUNTRY PROFILE



# Honduras

## Tax overview

Corporate Income Tax	25%
Personal Income Tax	25%, progr.
Gift Tax	None
Inheritance Tax	None
Wealth Tax	None

### Territorial Tax Regime

Honduras has a territorial tax regime. Income tax is levied on Honduran source income only. Income from foreign sources is not subject to tax.

### Corporate Income Tax (CIT)

Corporations incorporated in Honduras are subject to tax on Honduran source income at 25%, plus a 5% solidarity tax, for a total of 30%. Capital gains are taxed as ordinary income to a 10% tax rate.

### Personal Income Tax

Honduran residents are subject to tax on Honduran source income at progressive rates up to 25%. Capital gains are generally taxed at a rate of 10%. Honduras does not impose gift tax, inheritance tax or wealth tax.

### Anti-Avoidance Rule

Honduras does not have General Anti Avoidance rules (GAARs). Honduras does have Transfer Pricing Rules, which apply in transactions between Honduran resident entities and entities operating under a special tax regime. Honduras has no Thin Capitalization rules. Honduras does not have Controlled Foreign Corporation (CFC) rules.

### Double Tax Treaties (DTTs)

Honduras has no DTTs in force.

### Foreign Investment Protection

Honduras has Bilateral Investment Treaties (BITs) and Free Trade Agreements (FTAs) with a number of jurisdictions for the protection of investments that provide for international arbitration in the event of nationalization or expropriation, including with Canada (FTA), Dominican Republic (FTA), the Netherlands (BIT), Panama (FTA), Spain (BIT), Switzerland (BIT), United Kingdom (BIT), and the United States (BIT).

### Tax Info. Exchange Agreements (TIEAs)

Honduras has a Tax Information Exchange Agreement with the United States.

### OECD Multilateral Convention

Honduras is a signatory to the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters, but has not ratified the Convention. Signatories are required to exchange information on request, and authorizes exchange of information spontaneously and automatically.

### Common Reporting Standard (CRS)

Honduras has not adopted CRS for the automatic exchange of account information.

### FATCA

Honduras has a FATCA Model 1 IGA in effect with the United States for the automatic exchange of information.

### Notice

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