

Doing business together!

The new double tax treaty (DTT) between Cyprus and Russia which was ratified by both countries, is effective as from 1st January 2013. The new DTT ensures that Cyprus remains a favourable jurisdiction for Russian inbound and outbound investments.

The main provisions of the new DTT are analysed below:

- ✓ Dividends - 5% withholding tax (WHT), if minimum investment of €100.000;
- 10% WHT will apply in all other cases.
- ✓ Interest - 0% WHT
- ✓ Royalties - 0% WHT
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It should be noted that as per the provisions of the Cyprus tax legislation, there is no WHT on dividends, interest and royalty payments from Cyprus to Russia, irrespective of the WHT rates.

Moreover, in line with the old DTT, Cyprus retains the exclusive taxing right on disposal of shares in Russian Company, where over 50% of its assets' value is immovable property. This provision will apply until 31 December 2016.

Meet the Team

Our tax experts will be glad to discuss with you the provisions of the treaty and provide support if needed. Our initial discussion is free-of-charge and without any obligation.

Contact us

Should you need any clarifications regarding the above, feel free to contact us via email, or by phone. See below our contact details:

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Important note: The above is intended to provide general information only. It should not be used as a substitute for consultation with professional advisors.