

## ***Doing business together!***

The new double tax treaty (DTT) between Cyprus and Ukraine which was ratified by both countries in 2013 is effective as from 1<sup>st</sup> January 2014. The new DTT ensures that Cyprus remains a favourable jurisdiction for Ukrainian inbound and outbound investments.

The main provisions of the new DTT are analysed below:

- ✓ Dividends - 5% withholding tax (WHT) if minimum participation of 20% or minimum investment of €100.000;
  - 15% WHT will apply in all other cases.
- ✓ Interest - 2% WHT
- ✓ Royalties - 5% WHT for copyright of scientific work, secret formula, patent, trademark, and process or information concerning industrial, commercial or scientific experience;
  - 10% WHT in all other cases including for royalty income derived from computer software.

It should be noted that as per the provisions of the Cyprus tax legislation, there is no WHT on dividends, interest and royalty payments, irrespective of the WHT rates.

Moreover, in line with the old DTT, Cyprus retains the exclusive taxing right on disposal of shares in Ukrainian Companies.

## ***Meet the Team***

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

## ***Contact us***

Feel free to contact us via email, or by phone or fax. See below our contact details:

E-mail: [info@oxilium.com.cy](mailto:info@oxilium.com.cy)

Tel: +357 22 672200, +357 25 004242

Fax: +357 22 357057, +357 25 394198

For more information you may also visit our website: [www.oxilium.com.cy](http://www.oxilium.com.cy)

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