

Doing business together!

On 4 August 2015, Cyprus and Iran signed their first double tax treaty (DTT), giving the opportunity for new investments and trade relations, between the two countries. The DTT will take effect upon ratification by both countries.

The main provisions of the new DTT are analysed below:

- ✓ Dividends - 5% withholding tax (WHT), if minimum participation to the share capital of at least 25% (apply only for companies);
 - 10% WHT will apply in all other cases.
- ✓ Interest - 5% WHT; (0% for certain national or local organisations).
- ✓ Royalties - 6% WHT in all cases

Regarding capital gains, Cyprus retains the taxing rights on disposal of Iranian companies' shares, except in the case whereas more than 50% of the value of the shares is derived directly from immovable property situated in Iran.

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.

Meet the Team

Our tax experts will be glad to discuss with you the provisions of the new DTT 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:

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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.