



Double Tax Treaties

January 2008

The following tables give a summary of the withholding taxes provided by the double tax treaties entered into by Cyprus.

	Received in Cyprus			Paid from Cyprus *		
	Dividends %	Interest %	Royalties %	Dividends %	Interest %	Royalties %
Armenia ⁽²⁷⁾	0	0	0	0	0	0
Austria	10	0	0	10	0	0
Belarus	5 ⁽⁴⁾	5	5	5 ⁽⁴⁾	5	5
Belgium	10 ⁽¹⁾	10 ⁽¹⁶⁾	0	10 ⁽¹⁾	10	0
Bulgaria	5 ⁽¹⁹⁾	7 ⁽²⁵⁾	10 ⁽²⁰⁾	5 ⁽¹⁹⁾	7 ⁽²⁵⁾	10
Canada	15	15 ⁽⁷⁾	10 ⁽¹¹⁾	15	15 ⁽⁷⁾	10 ⁽¹¹⁾
China	10	10	10	10	10	10
Czech Republic ⁽²⁹⁾	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾
Denmark	10 ⁽¹⁾	10 ⁽⁹⁾	0	10 ⁽¹⁾	10 ⁽⁹⁾	0
Egypt	15	15	10	15	15	10
France	10 ⁽²⁾	10 ⁽⁹⁾	0 ⁽²⁶⁾	10 ⁽²⁾	10 ⁽⁹⁾	0 ⁽²⁶⁾
Germany	10 ⁽¹⁾	10 ⁽⁸⁾	0 ⁽²⁶⁾	10 ⁽¹⁾	10 ⁽⁸⁾	0 ⁽²⁶⁾
Greece	25 ⁽²¹⁾	10	0 ⁽¹²⁾	25	10	0 ⁽¹²⁾
Hungary	5 ⁽¹⁾	10 ⁽⁸⁾	0	0	10 ⁽⁸⁾	0
India	10 ⁽²⁾	10 ⁽⁸⁾	15 ⁽¹⁵⁾	10 ⁽²⁾	10 ⁽⁸⁾	15 ⁽¹⁵⁾
Ireland	0	0	0 ⁽¹²⁾	0	0	0 ⁽¹²⁾
Italy	15	10	0	0	10	0
Kuwait	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾
Lebanon	5	5 ⁽¹⁶⁾	0	5	5 ⁽¹⁶⁾	0
Malta	0 ⁽²²⁾	10 ⁽⁸⁾	10	15	10 ⁽⁸⁾	10
Mauritius	0	0	0	0	0	0
Moldavia ⁽²⁷⁾	0	0	0	0	0	0
Montenegro ⁽²⁸⁾	10	10	10	10	10	10
Norway	5 ⁽³⁾	0	0	0	0	0
Poland	10	10 ⁽⁸⁾	5	10	10 ⁽⁸⁾	5
Romania	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾
Russia	5 ⁽⁶⁾	0	0	5 ⁽⁶⁾	0	0
San Marino	0	0	0	0	0	0
Serbia ⁽²⁸⁾	10	10	10	10	10	10
Seychelles	0	0	5	0	0	5
Singapore	0	10 ⁽²³⁾	10	0	10 ⁽²³⁾	10
Slovakia ⁽²⁹⁾	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾	10	10 ⁽⁸⁾	5 ⁽¹⁴⁾
Slovenia ⁽²⁸⁾	10	10	10	10	10	10
South Africa	0	0	0	0	0	0
Sweden	5 ⁽¹⁾	10 ⁽⁸⁾	0	5 ⁽¹⁾	10 ⁽⁸⁾	0
Syria	0 ⁽¹⁾	10 ⁽⁸⁾	15 ⁽¹³⁾	0 ⁽¹⁾	10 ⁽⁸⁾	15 ⁽¹³⁾
Thailand	10	10 ⁽¹⁷⁾	5 ⁽¹⁸⁾	10	10 ⁽¹⁷⁾	5 ⁽¹⁸⁾
Ukraine ⁽²⁷⁾	0	0	0	0	0	0
United Kingdom	0 ⁽²⁴⁾	10	0 ⁽²⁶⁾	0	10	0 ⁽²⁶⁾
USA	15 ⁽⁵⁾	10 ⁽¹⁰⁾	0	0	10 ⁽¹⁰⁾	0

* The Cyprus Legislation provides for: exemption from withholding tax in Cyprus for payments to non residents of dividends, interest and royalties granted for use outside of Cyprus; non-treaty countries a withholding tax of 10% in the case where royalties are earned on rights used within Cyprus and 5% on film and TV royalties.

Double Tax Treaties - Notes

- 1) 15% if received by a company controlling less than 25% of the voting power.
- 2) 15% if received by a company controlling less than 10% of the voting power.
- 3) NIL if paid to a company controlling at least 50% of the voting power.
- 4) This rate applies if the amount invested by the beneficial owner is over €200.000 irrespective of the % of voting power acquired. 10% is imposed if received by a holder of at least 25% of the share capital of the paying company. Otherwise the rate is 15%.
- 5) 5% if received by a company controlling at least 10% of the voting power.
- 6) 10% if received by company, which has invested less than \$100.000.
- 7) NIL if paid to the Government or for export guarantee.
- 8) NIL if paid to the Government of the other State or to a financial institution.
- 9) NIL if paid to the Government of the other State or in connection with the sale on credit of any industrial, commercial or scientific equipment or any merchandise by one enterprise to another or in relation to any form of loan granted by a bank or is guaranteed from government or other governmental organisation.
- 10) NIL if paid to the Government of the other State, to a bank or a financial institution or in respect to debt obligations arising in connection with sale of property or the provision of services.
- 11) NIL on literary, dramatic, musical or artistic work with the exception of films used for television programs.
- 12) 5% on film royalties (except films shown on TV).
- 13) 10% on literary, dramatic, musical, artistic work, films and TV royalties.
- 14) NIL on literary, artistic or scientific work including films.
- 15) 10% on payment of technical fees, management fees and consultancy fees.
- 16) NIL if paid to the Government of the other State, a political subdivision or a local authority, the National Bank or any institution the capital of which is wholly owned by the State or a political subdivision or a local authority or in the form of interest income from bank deposits.
- 17) 10% on interest received from financial institutions, on interest paid in connection with industrial, commercial, scientific equipment or the sale or merchandise between two companies.
- 18) 10% on right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience and 15% for patents, trademarks, designs, models, plans, secret formulas or processes.
- 19) 10% if received by a company, which owns less than 25% of the capital.
- 20) This rate does not apply, where 25% or more of the capital of the Cypriot resident is owned directly or indirectly by the Bulgarian resident paying the royalties and the Cyprus company pays less than the normal rate of tax.
- 21) The treaty provides for 25%, but the domestic rate of NIL applies since it is lower than the treaty rate.
- 22) The treaty provides that the tax on the gross amount of the dividends shall not exceed that chargeable on the profits out of which the dividends are paid.
- 23) 7% if paid to a bank or similar financial institution. NIL if paid to the government.
- 24) The treaty provides for 15% withholding tax but the local taxation provides for 0% withholding tax.
- 25) NIL if paid to or is guaranteed by the government, statutory body, the Central Bank.
- 26) 5% on film royalties, including films used for television programs.
- 27) The treaty with the former U.S.S.R. remains in effect for the members of the Commonwealth of Independent States (CIS) except the countries with which a new treaty was signed (such as Belarus and Russia) as well as Georgia, Turkmenistan, Azerbaijan, Kyrgyzstan, Kazakhstan, Tadjikistan, and Uzbekistan which ceased to recognize it.
- 28) The treaty between the Republic of Cyprus and the Socialist Federal Republic of Yugoslavia still applies.
- 29) The treaty between the Republic of Cyprus and the Czechoslovak Socialist Republic still applies.

Negotiations are under way for the conclusion of DTT with 7 new countries which are expected to come into force soon: Estonia, Latvia, Lithuania, Spain, The Netherlands, Sri Lanka and Iran.