



**K. TREPPIDES  
& CO LTD**

**Direct Taxation  
September Newsletter - Issue 15/2020**

**Amendments to the Cyprus – Russia Double Tax  
Treaty Agreement**

In August 2020, Cyprus and Russia concluded the negotiations of a new protocol to amend the existing provisions of the Cyprus – Russia Double Tax Treaty (DTT). The new Protocol was signed on 8 September 2020 in Nicosia and has been published in the Government Gazette on 11 September 2020.

The amended provisions are briefly summarized below.

**Dividends**

The amended DTT states that the withholding tax (WHT) on dividend payments will **increase to 15%** subject to certain exceptions listed below.

**Exceptions:**

The WHT shall not exceed **5%**, where the beneficial owner of the dividend is:

- an insurance undertaking or a pension fund; or
- a company whose shares are listed on a registered stock exchange provided that no less than 15% of the voting shares of that company are in free float and which holds directly at least 15% of the capital company paying the dividends throughout a 365 day period that includes the day of payment of the dividends; or
- the Government or a political subdivision or a local authority; or
- the Central Bank.

## **Interest**

The amended DTT states that the WHT on interest payments will **increase to 15%** subject to certain exceptions listed below.

### **Exceptions:**

**No WHT** will apply on interest payments if:

1. the beneficial owner is:
  - an insurance undertaking or a pension fund; or
  - the Government or a political subdivision or a local authority; or
  - the Central Bank; or
  - a bank.Or
2. the interest is paid in respect of the following securities listed on a registered stock exchange:
  - government bonds;
  - corporate bonds;
  - Eurobonds.

Finally, the WHT shall not exceed **5%** if the beneficial owner of the interest is a company whose shares are listed on a registered stock exchange provided that no less than 15% of the voting shares of that company are in free float and which holds directly at least 15% of the capital company paying the interest throughout a 365 day period that includes the day of payment of the interest.

### **No WHT on payments from Cyprus**

It is noted that no WHT is imposed on payments of dividends and interest from Cyprus to Russian recipients as per the local Cypriot domestic law.

### **Effective date**

The amendments shall apply from 1 January 2021 subject to the ratification of the Protocol by the two countries.

### **What you can do**

Companies affected by this amendment should consider paying dividends and interest from Russia, to the extent possible, before the end of the year 2020 where the current WHT rates apply.

### **Contact us**

We are at your disposal to discuss further on how this will affect your business.



## **Nicosia**

Treppides Tower  
9 Kafkasou Street  
Aglantzia  
Nicosia, CY 1642  
Cyprus  
P.O.Box 27142

Tel: +357 22 678944

Fax: +357 22 681887

Web: [www.treppides.com](http://www.treppides.com)

## **Limassol**

38 Andrea Kariolou Street  
Ayios Athanasios  
Limassol, CY 4102  
Cyprus

Tel: +357 25 822722

Fax: +357 25 822723

Web: [www.treppides.com](http://www.treppides.com)

## **London**

Treppides Advisers Ltd  
7 Milner Street,  
London, SW3 2QA  
United Kingdom

Tel: +44 20 7569 6756

Fax: +44 20 7569 6757

Web: [www.treppidesadvisers.co.uk](http://www.treppidesadvisers.co.uk)

Email: [info@treppidesadvisers.co.uk](mailto:info@treppidesadvisers.co.uk)

## **Malta**

Finanz Audit Ltd  
Level 1, Somnium  
Tower Road, Swatar  
Birkirkara, BKR 4012  
Malta

Tel: +356 2010 8080

Fax: +356 2546 6103

Web: [www.finanz-audit.com](http://www.finanz-audit.com)

Email: [info@finanz-audit.com](mailto:info@finanz-audit.com)

## Preferences

[Archive](#)

[Unsubscribe](#)

## About Us

[Facebook](#)

[Linkedin](#)

[Email Us](#)

Copyright © [K. Treppides & Co Ltd](#), All rights reserved.

*Copyright © 2019 K.Treppides & Co Ltd, All rights reserved.*

K. Treppides & Co Limited - Client List

### Our mailing address is:

K.Treppides & Co Ltd

Treppides Tower 9 Kafkasou Aglatzia

Nicosia 2112

Cyprus

[Add us to your address book](#)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).

