
Cyprus and Barbados sign first time double tax treaty

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In brief

Cyprus and Barbados signed a first time Double Tax Treaty (DTT) on 3 May 2017, opening the way for new investment opportunities and trade relations between the two Countries. Cyprus subsequently ratified the treaty on 12 May 2017. The DTT will take effect as from 1 January of the year following that in which the DTT enters into force.

The treaty provides for 0% withholding tax rates on dividends, interest and royalties.

In detail

A first time DTT between Cyprus and Barbados was signed on 3 May 2017 and was subsequently ratified by Cyprus on 12 May 2017. The treaty will take effect from 1 January of the year following that in which all legal formalities to bring the treaty into force are completed.

The treaty provides for 0% withholding tax rates on

dividends, interest and royalties.

For capital gains, Cyprus retains the exclusive taxing right on disposals by Cyprus tax residents of shares in Barbados companies (including Barbados companies holding Barbados located immovable property), except in cases where the value of the shares relates directly or indirectly to certain offshore rights/property relating to

exploration or exploitation of the seabed or subsoil or their natural resources in Barbados.

The takeaway

This treaty further expands the Cyprus DTT network, and opens the way for new investment opportunities and trade relations between the two Countries.

Let's talk

For a deeper discussion of how this development might affect you or your business, please contact:

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