
India removes Cyprus as a Notified Jurisdictional Area and new DTT enters into force

Issue N-16-2016, 16 December 2016

In brief

In a press release dated 16 December 2016 the Indian Government announced that the classification of Cyprus as a 'Notified Jurisdictional Area' (NJA) was rescinded with retroactive effect as from 1 November 2013 and that the new double tax treaty (DTT) shall come into effect as from 1 April 2017 in India. For Cyprus the new DTT shall come into effect as from 1 January 2017.

In detail

In a press release dated 16 December 2016 the Indian Government announced that the classification of Cyprus as a NJA was rescinded on 14 December 2016 with retroactive effect as from 1 November 2013 (the date that Cyprus was previously classified as a NJA by the Indian Authorities).

As regards the new DTT the press release also announced that both

countries have now exchanged the required notifications that indicate the completion of each country's internal ratification procedures for the entry into force of the DTT. The DTT shall be effective as from 1 April 2017 in India and as from 1 January 2017 in Cyprus.

For more details on the new DTT and the termination of the current DTT please refer to our earlier newsletter [N-14-2016](#).

The takeaway

These are welcome developments that should strengthen the bilateral economic ties between the two countries.

Taxpayers that have suffered the mandatory levy of withholding tax in India due to the previous classification of Cyprus as a NJA should now consider making applications for refunds.

Let's talk

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

Theo C Parperis
Partner
Head of Tax & Legal
theo.parperis@cy.pwc.com

Marios S Andreou
Partner
In charge of Tax Advisory
marios.andreou@cy.pwc.com

Nicos P Chimarides
Partner
In charge of Corporate Compliance
nicos.chimarides@cy.pwc.com

Eftychios G Eftychiou
Partner
Head of Tax Technical Committee
eftychios.eftychiou@cy.pwc.com

Tax Insights

from Tax Advisory Services

Or your usual PwC contact

PwC Cyprus

PwC Central

43 Demostheni Severi Avenue

CY-1080 Nicosia, Cyprus

P O Box 21612

CY-1591 Nicosia, Cyprus

www.pwc.com.cy