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# Cyprus – UK new double tax treaty enters into force

*Issue N-16-2018, 27 July 2018*

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The new double tax treaty and accompanying Protocol between Cyprus and the United Kingdom of Great Britain and Northern Ireland signed on 22 March 2018 (the new DTT) entered into force on 18 July 2018 based on a recent update by the Cyprus Ministry of Finance. According to the provisions of the new DTT it will be effective:

- in Cyprus as from 1 January 2019, and
- in the UK (i) for withholding taxes (WHTs) for amounts paid or credited on or after 1 January 2019, (ii) for income tax and capital gains tax from 6 April 2019, and (iii) for corporation tax for any financial year beginning on or after 1 April 2019.

Once the new DTT comes into effect (in accordance with the dates as described above), it will replace the existing DTT between Cyprus and the UK (signed in 1974, amended by the 1980 Protocol).

The new DTT provides for a 0% WHT rate on payments of dividends, interest and royalties (with the exception of dividends paid by certain investment vehicles out of income derived, directly or indirectly, from tax exempt immovable property income, in such cases a 15% WHT rate applies).

For further details on the provisions of the new DTT, please refer to our Tax Update Newsletter [N-5-2018](#).

## *Let's talk*

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

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