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# Cyprus – Kazakhstan sign first-time double tax treaty

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The Cyprus Ministry of Finance (the Cyprus MoF) has announced that Cyprus and Kazakhstan signed a first-time Double Tax Treaty (DTT) on 15 May 2019.

We now await publication of the DTT in the Cyprus Government Gazette. In the meantime, the Cyprus MoF announcement indicates that the DTT is based on the new OECD Model Double Tax Convention. An earlier announcement by the Cyprus MoF in June 2018 (at the time of the successful conclusion of the negotiations for the DTT) additionally indicated that the DTT provides for a withholding tax rate for interest, dividend and royalty income, as well as defining the tax treatment of capital gains. Such withholding tax rates and treatment of capital gains will be publicly available once the DTT is published.

The DTT is not yet in force, as is usual for international treaties, Cyprus and Kazakhstan must each now undertake certain legal ratification steps in order for the DTT to enter into force.

The Cyprus MoF announcement states that *“The agreement with Kazakhstan is considered very important for Cyprus, as it is expected to further contribute to the development of trade and economic relations between the Republic of Cyprus and Kazakhstan, while bringing new opportunities and better protection for taxpayers in both countries.”*

We look forward to the publication of the DTT in the Cyprus Government Gazette and will provide a further update at that time.

## Let's talk

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

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