
Cyprus-Jersey double tax treaty enters into force

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In brief

The first time double tax treaty (DTT) between Cyprus and Jersey signed in July 2016 entered into force on 17 February 2017 as per a recent update of the Cyprus Ministry of Finance. Per the provisions of the DTT it will now take effect as from 1 January 2018.

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

In detail

The first time DTT between Cyprus and Jersey signed in July 2016 entered into force on 17 February 2017 as per a recent update of the Cyprus Ministry of Finance. Per the provisions of the DTT it will now take effect as from 1 January 2018.

The DTT provides for 0% WHT on dividends, interest and royalties.

For capital gains, per the terms of the DTT Cyprus retains the exclusive taxing right on disposals by Cyprus tax residents of shares in Jersey companies (including Jersey companies holding Jersey located immovable property), except in cases where the greater part of 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 Jersey.

The takeaway

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

Let's talk

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

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