

Globalserve CONSULTANTS LTD Now offers immigration services for acquisition of Permanent Residence VISA to foreign investors.

For more information visit our website www.globalserveproperties.com

Cyprus and Ukraine sign new DTA

On the 8th of November 2012 Cyprus and Ukraine signed a double taxation treaty. The agreement should replace the convention of 1982 concluded with USSR.

According to the treaty 5% withholding tax on dividends will be implemented if participation in the company capital exceeds 20% or 100 000 euro. For other cases tax rate will be 15%.

Withholding tax on percents will be 2% and for royalties - 10%. Convention will come into force after ratification by parties.

CYPRUS IS OUT OF THE RUSSIAN LIST

News

As many of us will recall the Protocol amending the Double Tax Treaty between the Republic of Cyprus and the Russian Federation was ratified in February 2012. While some amendments will take effect starting from 2013, others will become law only from 2017.

Despite this achievement, Cyprus remained on the Russian Ministry of Finance list of «offshore» zones, commonly known as the so called «white list», although it was announced some time ago that Cyprus is not any more listed in Russia. On 31 October 2012, the Russian Ministry of Finance published its new «white list», without Cyprus appearing there; It means that Cyprus, apart from other things, is not any more considered as an «Offshore» destination for Russia.

The significance of this news can be outlined below:

Taxation of dividends participation exemption rule

Under this rule, dividends earned by Russian companies that meet certain conditions (mainly holding more than 50% of the share capital of the company that pays the dividend) are taxed at 0%. However, this tax benefit does not apply if dividends are derived from a jurisdiction included on the MinFin «whitelist». In other words, after receiving dividends from Cyprus, a Russian corporate shareholder will no longer pay tax at 9%. For Russian holding companies, this will make Cyprus a more efficient venue for owning foreign assets.

Transfer pricing

A transaction is deemed by the Russian Tax Authority to be controlled if one of the parties is incorporated or domiciled, or has tax residency, in a blacklisted jurisdiction. While Cyprus was on the «whitelist», transactions between a Cyprus and a Russian company for goods, services, royalties etc were opened to dispute by the Russian authorities. With Cyprus removal from the «blacklist», and moreover, from the list of offshore destinations, it is expected that such transactions will not be considered as controlled any more.

Information exchange

Although it could be seen that the Cyprus Government has reciprocated to the Russian Government on offering greater information exchange between the Cypriot and Russian fiscal authorities for the removal of Cyprus from the «whitelist», this possibility is totally rejected by the Cyprus side, which claims that there is no change to the methodology of exchanging information between governments, which is by way of a court order.

GLOBALSERVE CONSULTANTS LTD C.E.O. Dinos Antoniou, has been identified as 1 of the 37 international champions profiled in the "Secret of Success" brochure 2012-13.

The publication has been distributed to 21 EU languages and can also be downloaded from the below Link: [Http://ec.europa.eu/enterprise/flipbook/sme-week/secret_of_success_2012/files/secret2012_web_en.pdf](http://ec.europa.eu/enterprise/flipbook/sme-week/secret_of_success_2012/files/secret2012_web_en.pdf)

Agenda

19 November- 20 November 2012,
Business Travel Warsaw - Poland

Representative: Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

22 November 2012

Business Forum Wroclaw-Poland, organized by Cyprus Chamber of Commerce & Industry

Representative: Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

22 November 2012

TCS Global conference Paris-France, organized by TCS GROUP

Representative: Marios Efhtymiou, Partner, Dinos Antoniou & Co Ltd

Globalserve Profile

Globalserve Consultants Ltd, is engaged in the area of international tax planning. We incorporate companies from a variety of 25 jurisdictions while focusing on the Cyprus Company which its use is very effective as an onshore jurisdictions with an excellent use towards international tax planning.

www.globalserve.com.cy

Globalserve's experience team can assist you with the company formation and account opening in more than 20 jurisdictions.

For more information pls contact us at the below: phani@globalserve.com.cy

Join us   

Legal Disclaimer

Globalserve Consultants Ltd is the official administrator of GIN and has taken all reasonable care to ensure that the information herein contained are accurate on the stated date of publication, however, it disclaims all express and/or implied warranties with regard to the accuracy of the information contained in the published materials.