

Cyprus-Russia Protocol ratified by Russian Duma

On Feb 15th, 2012, the Russian Duma ratified the amending Protocol to the Cyprus-Russia Double Tax Treaty of 1998, signed on Oct 7th, 2010 while Cyprus had ratified this Protocol earlier in August 2011. With this ratification, Cyprus is removed from the Russian "Black" list.

As Russia is the main investor in Cyprus economy, Cyprus intention is to protect these investments. Furthermore, Russian investors are called to understand that information exchange will only be possible after an official enquiry from the Russian Tax Authorities and no fishing expedition will be allowed. It is also worth mentioning that the procedure is not straight forward.

Now it will be allowed for dividends paid from Cyprus tax resident companies and received from the Russian corporate shareholders to qualify for the Russian participation exemption and thus be exempt from Russian tax. This is expected to create new opportunities for Russian investors for the use of Cyprus companies and funds as a gateway to Europe, Asia and Africa.

Latvia eliminates withholding tax for dividends paid to foreign companies

From 1 January 2013

Beginning from next year, dividends paid by Latvian resident companies to nonresident companies will be exempt from withholding tax, except where payments are made to residents of tax havens. This rule will apply to interest and royalties as from 1 January 2014.

Greece signs international tax agreement to tackle tax evasion

Greece became the 33rd signatory to the amended Convention. Greece has signed the Convention on Mutual Administrative Assistance in Tax Matters, a multilateral agreement that was developed jointly by the Council of Europe and the OECD and that is open for signature to all countries. The Convention promotes international co-operation in the assessment and collection of taxes.

As taxpayers increasingly operate on a global basis, tax authorities are moving from bilateral to multilateral co-operation and from exchange of information on request to more effective forms of collaboration. The Convention is an effective and practical tool to help tax authorities in their everyday work.

Signatories to the Convention are so far: Argentina, Australia, Belgium, Brazil, Canada, Denmark, Finland, France, Georgia, Germany, Greece, Iceland, India, Indonesia, Ireland, Italy, Japan, Korea, Mexico, Moldova, Netherlands, Norway, Poland, Portugal, the Russian Federation, Slovenia, South Africa, Spain, Sweden, Turkey, Ukraine, the United Kingdom and the United States.

FATF has revised the Recommendations after more than two years of efforts by member countries

The revised Recommendations were agreed by FATF members on 15 February. The revised FATF Recommendations now fully integrate counter-terrorist financing measures with anti-money laundering controls, introduce new measures to counter the financing of the proliferation of weapons of mass destruction, and they will better address the laundering of the proceeds of corruption and tax crimes.

The main changes include:

- Improved transparency to make it harder for criminals and terrorists to conceal their identities or hide their assets behind legal persons and arrangements.
- Stronger requirements when dealing with politically exposed persons (PEPs).
- Expanding the scope of money laundering predicate offences by including tax crimes.
- More effective international cooperation including exchange of information between relevant authorities, conduct of joint investigations, and tracing, freezing and confiscation of illegal assets.

News

23-24 April **OCCI BUSINESS FORUM**
Kharkov & Donetsk Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

9-11 May **STEP CYPRUS LIMASSOL**,
participant Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

29-30 May **STEP ISRAEL, TEL AVIV**
Annual Conference participant Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd
www.globalserve.com.cy

Globalserve Profile

Globalserve Consultants Ltd, is engaged in the area of international tax planning. We incorporate companies from a variety of 23 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.

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.