INFORMATION SHEET NO.13

Cyprus Double Tax Treaties – Summary of Withholding Taxes

January 2024

Payments from Cyprus to any country

Under Cyprus legislation, there is no Cyprus withholding tax on payments to non-Cyprus tax residents in the cases of dividends, interests and royalties used outside Cyprus.

As from 31 December 2022, Cyprus applies withholding tax of 17% on dividends paid by non-listed companies, 30% on payments of interest and 10% on payments of royalties, if the recipient of the payment is a company in a jurisdiction included in the EU list of non-cooperative jurisdictions for tax purposes (the EU 'blacklist').

Received in Cyprus from a Treaty Country

	Dividend %		Interest %		Royalties %	
Andorra	0		0		0	
Armenia	0	*(31)*	5		5	
Austria	10		0		0	
Azerbaijan *(20)*	0		0		0	
Bahrain	0		0		0	
Barbados	0		0		0	
Belarus	5	*(18)*	5		5	
Belgium	10	*(8)*	10	*(6,19)*	0	
Bosnia *(26)*	10		10		10	
Bulgaria	5	*(23)*	7	*(6,24)*	10	*(24)*
Canada	15		15	*(4)*	10	*(5)*
China	10		10		10	
Croatia	5		0	*(51)*	5	
Czech Republic	0	*(28)*	0		10	*(29)*
Denmark	0	*(32)*	0		0	
Egypt	5	*(49)*	10		10	
Estonia	0		0		0	
Ethiopia	5		5	*(33)*	5	
Finland	5	*(9)*	0		0	
France	0	*(50)*	0		5	
Georgia	0		0		0	
Germany	5	*(9)*	0		0	*(34)*
Greece	25	*(11)*	10		0	*(12)*
Guernsey	0		0		0	
Hungary	5	*(8)*	10	*(6)*	0	

Received in Cyprus from a Treaty Country						
	Dividend %		Interest %		Royalties %	
Iceland	5	*(39)*	0		5	
India	10		10	*(10)*	10	
Iran	5	*(23)*	5	*(33)*	6	
Ireland	0		0		0	*(12)*
Italy	15		10		0	
Jersey	0		0		0	
Jordan	5	*(42)*	5	*(33)*	7	
Kazakhstan	5	*(13)*	10	*(33)*	10	*(27)*
Kuwait	0		0	*(6)*	5	*(7)*
Kyrgyzstan *(20)*	0		0		0	
Latvia	0	*(42)*	0	*(42)*	0	*(43)*
Lebanon	5		5		0	
Lithuania	0	*(41)*	0		5	
Luxembourg	0	*(41)*	0		0	
Malta	0		10		10	
Mauritius	0		0		0	
Moldova	5	*(30)*	5		5	
Montenegro *(26)*	10		10		10	
Netherlands	0	*(46)*	0		0	*(47)*
Norway	0	*(13)*	0		0	
Poland	0	*(35)*	5	*(6)*	5	
Portugal	10		10		10	
Qatar	0		0		5	*(27)*
Romania	10		10	*(6)*	5	*(7)*
Russia	15	*(17)*	15	*(48)*	0	
San Marino	0		0		0	
Saudi Arabia	0	*(44)*	0		5	*(45)*
Serbia *(26)*	10		10		10	
Seychelles	0		0		5	
Singapore	0		10	*(6,25)*	10	

Received in Cyprus from a Treaty Country						
	Dividend %		Interest %		Royalties %	
Slovakia *(36)*	10		10	*(6)*	5	*(7)*
Slovenia	5		5	*(33)*	5	
South Africa	5	*(39)*	0		0	
Spain	0	*(37)*	0		0	
Sweden	5	*(8)*	10	*(6)*	0	
Switzerland	0	*(32)*	0		0	
Syria	0	*(8)*	10	*(4)*	10	
Thailand	10		15	*(21)*	5	*(22)*
Ukraine	5	*(38)*	5		5	*(40)*
United Arab Emirates	0		0		0	
United Kingdom	0	*(14)*	0		0	
U.S.A.	5	*(9)*	10	*(10)*	0	
Uzbekistan *(20)*	0		0		0	

Notes:

1) Under Cyprus legislation there is no Cyprus withholding tax on dividends, interests and royalties paid to non-Cyprus residents.
2) In case where royalties are earned on rights used within Cyprus there is withholding tax of 10%.
3) 5% on film and TV royalties.
4) Nil if paid to a Government or for export guarantee.
5) Nil on literary, dramatic, musical or artistic work.
6) Nil if paid to the Government of the other state.
7) This rate applies for patents, trademarks, designs or models, plans, secret formulas or processes or any industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
8) 15% if received by a company controlling less than 25% of the voting power.
9) 15% if received by a company controlling less than 10% of the voting power.
10) Nil if paid to a Government, bank or financial institution.
11) Greece applies a domestic withholding tax of 10%.
12) 5% on film royalties.
13) This rate applies if the recipient company is the beneficial owner of the dividends and holds at least 10% of the capital of the company paying the dividends; a 15% rate applies in all other cases.
14) 15% for dividends paid by certain investment vehicles which derive income directly or indirectly from immovable property.
15) 10% for payments of a technical, managerial or consulting nature.
16) Treaty rate provides 15%, therefore restricted to lower Cyprus legislation rate.

17) 5% if the beneficial owner of the dividends is (a) a company whose shares are listed on a registered stock exchange, provided that no less than 15% of the voting shares of that company are in free float, and it holds directly at least 15% of the capital of the company paying the dividends throughout a 365 day period that includes the day of payment of the dividends, or (b) an insurance undertaking or a pension fund, or (c) the Government or a political subdivision or a local authority or (d) the Central Bank.
18) If investment is less than €200.000, dividends are subject to 15% withholding tax which is reduced to 10 per cent if the recipient company controls 25% or more of the paying company.
19) No withholding tax for interest on deposits with banking institutions.
20) These countries apply the USSR - Cyprus treaty.
21) 10% on interest received by a financial institution or when it relates to sale on credit of any industrial, commercial or scientific equipment or of merchandise.
22) This rate applies for any copyright of literary, dramatic, musical, artistic or scientific work. A 10% rate applies for industrial, commercial or scientific equipment. A 15% rate applies for patents, trademarks, designs or models, plans, secret formulae or processes.
23) This rate applies to companies holding directly at least 25% of the share capital of the company paying the dividend. In all other cases the withholding tax is 10%.
24) This rate does not apply if the payment is made to a Cyprus international business entity by a resident of Bulgaria owning directly or indirectly at least 25% of the share capital of the Cyprus entity.
25) 7% if paid to bank or financial institution.
26) These countries apply the treaty between Cyprus and the Socialist Federal Republic of Yugoslavia.
27) Applies to any consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work (including cinematograph films and films, tapes or discs for radio or television broadcasting), computer software, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.
28) This rate applies if received by a company (excluding partnership) which holds directly at least 10% of the shares for an uninterrupted period of no less than one year. 5% applies in all other cases.
29) The 10% withholding tax rate applies on royalty payments relating to a patent, trademark, design or model, plan, secret formula or process, computer software, or industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience. Also on a copyright of literary, artistic or scientific works, including cinematograph films and films or tapes for television or radio broadcasting.
30) This rate applies if received by a company (excluding partnership) which holds directly 25% of the shares. 10% rate applies in all other cases.
31) 5% if dividend paid by a company in which the beneficial owner has invested less than €150.000 at the time of the investment.
32) This rate applies if received by a company (excluding partnership) which holds directly at least 10% of the shares for an uninterrupted period of no less than one year or received by the government or a controlled entity or a pension fund or similar establishment. 15% applies in all other cases.
33) Nil if paid by or to the Government or political subdivision or local authority or the central bank.
34) The term royalties includes any consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work. It also includes any consideration for the use of, or the right to use, the name of a person, image of a person or other related personality rights, and consideration received of recording artists and performances by athletes from the radio or television.
35) This rate applies if the recipient holds directly at least 10% of the capital of the company paying the dividend for an uninterrupted period of 24 months; 5% in all other cases.
36) The treaty between Cyprus and Socialist Federal Republic of Czechoslovakia applies.
37) This rate applies if recipient holds at least 10%; otherwise the rate is 5%.
38) This rate applies if the beneficial owner is a company holding directly at least 20% and has invested at least €100.000; otherwise the rate is 10%.
39) This rate applies if the recipient company holds at least 10%; otherwise the rate is 10%.

40) This rate applies on payment of royalties in respect of any copyright of scientific work, any patent, trade mark, secret formula, process or information concerning industrial, commercial or scientific experience; otherwise the rate is 10%.

41) This rate applies if the recipient company holds at least 10%; otherwise the rate is 5%.

42) This rate applies if received by a company (excluding partnership); 10% applies in all other cases.

43) This rate applies if received by a company (excluding partnership); 5% applies in all other cases.

44) This rate applies if the recipient company is the beneficial owner of the dividends and holds at least 25% of the capital of the company paying the dividends. A 5% rate applies in all other cases.

45) This rate applies on payment of royalties in respect of the use of, or the right to use, industrial, commercial or scientific equipment; otherwise the rate is 8%.

46) This rate applies if the recipient is (a) a company that holds directly at least 5% of the capital of the company paying the dividends throughout a 365-day period that includes the day of the payment, or (b) a recognised pension fund which is generally exempt under the corporate income tax law; otherwise the rate is 15%.

47) The term "royalties" includes any consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

48) NIL if the beneficial owner of the interest is an insurance undertaking or pension fund, or the Government/ political subdivision/ local authority, or the Central Bank, or a bank, or if the interest is paid in respect of the following listed securities on a registered stock exchange: (a) government bonds, (b) corporate bonds, (c) Eurobonds. 5% if the beneficial owner of the interest is a company whose shares are listed on a registered stock exchange, provided that no less than 15% of the voting shares of that company are in free float, and it holds directly at least 15% of the capital of the company paying the dividends throughout a 365 day period that includes the day of payment of the dividends.

49) This rate applies if the recipient is a company (other than a partnership) that holds directly at least 20% of the capital of the company paying the dividends throughout a 365-day period that includes the day of the payment; otherwise the rate is 10%.

50) This rate applies if the recipient is a company that holds directly at least 5% of the capital of the company paying the dividends throughout a 365-day period that includes the day of the payment; otherwise the rate is 15%.

51) 5% on interest received by a financial institution or when it relates to sale on credit of any industrial, commercial or scientific equipment or of merchandise.

NOTES

The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained. Totalserve Management Ltd will be glad to assist you in this respect. Please do not hesitate to contact us.