

Head Office:

Patrician Chambers, 332 Agiou Andreou Str., 3035 Limassol, Cyprus
P.O. Box 54543, 3725 Limassol, Cyprus
Tel: +357 25 871 599 | Fax: + 357 25 344 548
E-mail: info@pavlaw.com | www.pavlaw.com



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Double tax treaty for between Cyprus and Saudi Arabia

The Cyprus Ministry of Finance has announced that Cyprus has entered into a double tax agreement with Saudi Arabia for the avoidance of double taxation ('DTT'), which aims to prevent tax evasion. The DTT was signed on January 3, 2018, in Riyadh during an official visit of the President of Cyprus there and is expected to be ratified and come into force as from 1 January 2019.

The agreement is based on the OECD Model Convention for the Avoidance of Double Taxation on Income and on Capital, and provides for the exchange of financial and other information. This new DTT contains some modifications and applies to taxes on income as well as on gains from alienation of movable or immovable property. In the case of Saudi Arabia, the treaty covers the Zakat and the income tax (including the natural gas investment tax), whereas, in the case of Cyprus, it covers corporate and personal income tax, defense tax and capital gains tax

The Ministry of Finance of Cyprus has further stated that this DTT is expected to contribute to the developing economic relationship between the two countries and enhance co-operation in tax matters. Upgrading and expanding the island's network of double tax agreements is critical to strengthening Cyprus as an international business centre.

Contributed By:

Patrikios Pavlou & Associates LLC

Stavros Pavlou, Senior & Managing Partner

T: +357 25 871 599

F: +357 25 344 548

E: spavlou@pavlaw.com

W: www.pavlaw.com