



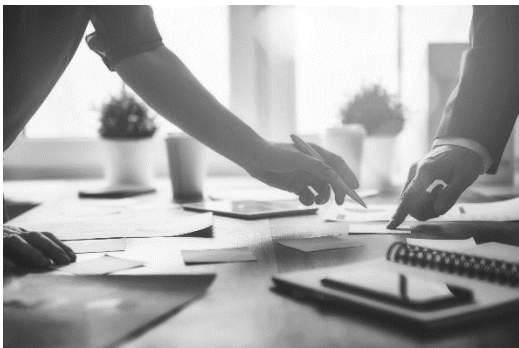
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Protocol to the Cyprus-Ukraine double tax treaty now in force

Following the ratification by the Ukrainian parliament on 30 October 2019 of the protocol to the double tax treaty ('DTT') between Cyprus and Ukraine - which was initially agreed in 2015 - the said protocol is now in force and will have effect as from 01 January 2020.

The main amendments effected by protocol are the following:



In relation to dividends the protocol provides for a 5% withholding tax if the beneficial owner is a company directly holding at least 20% of the company paying the dividend and it has invested more than EUR 100.000 to acquire the shares. Otherwise the withholding tax to be imposed is 10%.

The withholding tax on interest is increased from 2% to 5%, assuming the recipient is the beneficial owner of the interest.

Gains from the disposal of shares of property rich companies (at least 50% of their value derives from immovable property) are taxable in the country where the immovable property is situated. This is subject to specific exceptions including the sale of shares of public companies and gains resulting from a reorganization.

The protocol also includes a 'most favoured nation' clause. This stipulates that if Ukraine after 02 July 2015 enters into a DTT with another country to grant a tax exemption or provide a lower tax rate on dividends, interest or royalties, or to include more favourable provisions relating to capital gains, then Cyprus has the right to renegotiate the relevant articles of the DTT between Cyprus and Ukraine, for the purposes of applying the same exemption or reduced rates or more favourable provisions.

Introduction of new penalties for late submission of Annual Returns



The Cyprus Registrar of Companies introduced new penalties in relation to the late submission of Annual Returns (HE32). As a result, companies who submit their Annual Returns late, will be faced with a penalty, depending on the delay.

In general, Cyprus companies are obliged to file with the Registrar their Annual Return, accompanied by the audited financial statements of the previous year.

Now, according to the new policy, a late submission of the Annual Return will result to a one-off penalty of €50, as well as an additional penalty of €1 for each day of delay during the first six months and thereafter €2 for each day of delay, up to the maximum total of €500.

What this means for companies, is that the Annual Returns for all years up to and including 2018, should be submitted to the Registrar of Companies no later than **18 December 2019** in order to avoid the new penalties.

Furthermore, Annual Returns for 2019 and onwards must be submitted within 28 days from the date of preparation.

Feel free to contact us for any further information or assistance in relations to the above.

InvestPro Kazakhstan 2019

Stella Strati, General Manager and Georgia Onoufriou, Administration Manager attended InvestPro Kazakhstan 2019 in Nur-Sultan and Almaty on 8 & 11 October respectively.

The conference was devoted to international investment, finance, wealth management and asset protection, and hosted a number of exhibitors and speakers, including international banks, law firms, investment companies, audit firms, investment funds and developer companies from Kazakhstan, CIS, EU, Middle East and Asia.

