



Cyprus Tax Update – Year 2018

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TAX TREATY SIGNED WITH ANDORRA

On 18th May 2018, Cyprus signed a tax treaty with Andorra, which was published in the Gazette on 1st June 2018.

The tax treaty is based on the OECD Model Convention and provides for **NIL withholding tax on dividend, interest and royalty payments.**

The treaty will enter into force once both Cyprus and Andorra exchange notifications that their formal ratification procedures have been completed. The provisions of the treaty with respect to taxes will have effect in both contracting states on or after 1 January following the date the treaty enters into force.

AuditPro Comments

The conclusion of the treaty is expected to enhance co-operation in tax matters between the two States and further develop their economic relationship.