**CYPRUS. INCOME TAX TREATY WITH INDIA IS SIGNED**

At the end of 2016 Cyprus and India signed Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income after 3-years break in bilateral relations between countries (Cyprus has been removed from India's tax blacklist and will now not be considered as 'non-cooperative' jurisdiction for income tax purposes; country was included to the list in 2013).

The basis of the signed agreement was the OECD Model Convention on the avoidance of double taxation on income and capital (2010).

The main provisions of the Agreement are the following:

1. Dividends and Royalties: dividends and royalties are taxed in the state of company’s residency. Nevertheless, if the beneficiary of dividends or royalties is a resident in the other contracting state, the amount of tax cannot exceed 10% of the amount of dividends or royalties.
2. Tax on interest: interest payments are taxed in the state of origin. If the beneficiary of interest payments is a resident in another contracting state, the tax amount may not exceed 10%.

So, the Treaty will contribute to the further development of economic relations between the Republic of Cyprus and India.

Both sides informed about the completion of the ratification procedure.