

Corporate Tax - Cyprus

New double tax agreement between Cyprus and Ukraine finally ratified

Contributed by **Andreas Neocleous & Co LLC**

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On November 8 2012 Cyprus and Ukraine finally signed a new double tax agreement to replace the 1982 agreement between Cyprus and the Soviet Union, which Ukraine had adopted on independence.

The Ukrainian government had initially failed to secure the requisite parliamentary majority for approval of ratification (for further details please see "[Delay in ratification of new Cyprus-Ukraine double tax agreement](#)"). However, on July 4 2013 Parliament passed the law at the second attempt by a clear majority. The law is entitled "On Ratification of a Convention between the Government of Ukraine and the Government of Cyprus for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and Protocol thereto".

The law will enter into force once it has been signed by the president of Ukraine and published in the official journal. The double tax agreement will enter into force on the date of exchange of the final written notification of completion of all requisite ratification procedures and its provisions will take effect from the following January 1.

The new agreement retains the beneficial features of its predecessor, especially regarding the taxation of capital gains on disposal of shares, and maintains Cyprus's status as among the most favourable of Ukraine's treaty partners.

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