

## Corporate Tax - Cyprus

### Delay in ratification of new Cyprus-Ukraine double tax agreement

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July 12 2013

On November 8 2012 Cyprus and Ukraine signed a new double tax agreement to replace the 1982 agreement between Cyprus and the Soviet Union, which Ukraine had adopted on independence (for further details please see "[New Cyprus-Ukraine double tax agreement moves closer to ratification](#)"). The new agreement, which retains most of the beneficial features of its predecessor and maintains Cyprus's status as among the most favourable of Ukraine's treaty partners, will enter into force when both states have exchanged notifications that the necessary ratification procedures have been completed.

The draft law on ratification was registered with the Ukrainian Parliament on May 17 2013, but when voting took place on the draft law on June 18 2013, the government failed to secure the requisite majority for approval of ratification. It will therefore be necessary for a new draft law to be registered and passed in order to ratify the new double tax agreement.

In the interim period, the Cyprus-Soviet agreement will remain in force. This provides even greater benefits (in the form of zero rates of withholding tax) than the agreement that will replace it, so there should be no adverse effect on business.

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