

Explanations to Notes

1. There is a no withholding tax on dividends paid to non-Cypriot resident shareholders.
2. Nil if royalties are on literary, artistic or scientific work including cinematographic films and films or tapes for television or radio broadcasting.
3. 10% if recipient is a company with at least 25% direct share interest and 15% in all other cases.
4. 10% if recipient is a company with at least 10% direct share interest and 15% in all other cases.
5. 5% on cinematographic films including films and video tapes for television films.
6. 10% if recipient is a company with at least 25% direct share interest. If recipient is a company with more than 25% direct or indirect share interest and the German corporation tax on distributed profits is lower than that on undistributed profits while the difference between the two rates is 15% or more, the rate is 27% (15% in all other cases).
7. 5% on cinematographic films not including television films.
8. Nil if royalties are copyright and other literary, dramatic, musical or artistic work not including film or videotape royalties.
9. Nil if received by Government institutions or by any person in respect of debts guaranteed or financed by Government or financial institutions wholly owned by the Government.
10. 5% if recipient is a company with at least 25% direct share interest and 15% in all other cases.
11. Nil if received by a company which controls, directly or indirectly, not less than 50% of the voting power.
12. Nil if received by a company which controls, directly or indirectly, not less than 25% of the voting power.
13. 15% for patent, trademark, design or model, plan, secret formula or process or any copyright or scientific work, or industrial, commercial equipment or information.
14. A resident of Cyprus other than a company which either alone or together with one or more associated companies controls directly or indirectly at least 10% of the voting power, is entitled to a tax credit in respect of the dividend. Where a resident of

Cyprus is entitled to a tax credit, tax may also be charged on the aggregate of the cash dividend and the tax credit at a rate not exceeding 15%. In this case any excess tax credit is repayable. Where the recipient is not entitled to a tax credit, the cash dividend is exempt from any tax.

15. Cyprus does not impose withholding tax on interest paid to non residents.
16. At the rate applicable in accordance with domestic law.
17. 10% if received by a company holding at least 25% of the capital.
18. This rate applies to companies holding directly at least 25% of the share capital otherwise it is 10%.
19. This rate does not apply if the payment is made to a Cyprus IBE by a resident of Bulgaria owning directly or indirectly at least 25% of the share capital of the Cyprus IBE.
20. If investment is less than ECU200.000, dividends are subject to 15 per cent withholding tax which is reduced to 10 per cent if the recipient company controls 25 per cent or more of the paying company.
21. Nil if paid to a Government or for export guarantee.
22. Nil on literary, dramatic, musical or artistic work
23. Cyprus does not impose withholding tax on royalties paid to non-residents when the rights are for use outside of Cyprus.
24. 7 per cent if paid to bank or financial institution.
25. Armenia, Kurghystan, Moldova, Turkmenistan and Ukraine apply the former USSR/Cyprus treaty.
26. 10 per cent if dividend paid by a company in which the beneficial owner has invested less than US\$100.000
27. 10 per cent on interest received by a financial institution or when it relates to sale on credit of any industrial, commercial or scientific equipment or of merchandise.
28. This rate applies for any copyright of literary, dramatic, musical, artistic or scientific work. A 10 per cent rate applies for industrial, commercial or scientific equipment. A 15 per cent applies for patents, trade marks, designs or models, plans, secret formulate or processes.

