



Treaty Series No. 18 (1981)

Protocol

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Republic of Cyprus
amending the Convention for the
Avoidance of Double Taxation and
the Prevention of Fiscal Evasion
with respect to Taxes on Income,
signed in Nicosia on 20 June 1974

Nicosia, 2 April 1980

[The Protocol entered into force on 15 December 1980]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
April 1981*

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PROTOCOL
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF THE REPUBLIC OF CYPRUS, AMENDING THE
CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION WITH RESPECT
TO TAXES ON INCOME, SIGNED IN NICOSIA ON 20 JUNE 1974

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Cyprus;

Desiring to conclude a Protocol to amend the Convention between the Contracting States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed in Nicosia on 20 June 1974⁽¹⁾ (hereinafter referred to as "the Convention");

Have agreed as follows:

ARTICLE I

Article 23 of the Convention shall be deleted and replaced by the following:

"ARTICLE 23

Income not expressly mentioned

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in that State. This provision shall not apply to income paid out of trusts."

ARTICLE II

The following new Article shall be inserted immediately after Article 24 of the Convention:

"ARTICLE 24A

Excluded persons

(1) The provisions of paragraphs (1)(b) and (c) and (2) of Article 11, paragraph (1) of Article 12 and paragraphs (1) and (2) of Article 13 shall not apply to persons entitled to any special tax benefit under any of the Sections listed below of the Cyprus Income Tax Laws 1961 to 1977:

(a) Section 5(2)(c) (i) insofar as the tax charged is at a rate less than the rate prescribed for individuals in paragraph 1 of the

⁽¹⁾ Treaty Series No. 96 (1975) Cmnd. 6082.

Second Schedule to the Cyprus Income Tax Laws 1961 to 1977 or which may hereafter otherwise be prescribed for individuals generally;

(b) Section 8(w);

(c) Section 28A:

Provided that where an individual is entitled to a special tax benefit under Section 5(2)(c)(i) of the Cyprus Income Tax Laws 1961 to 1977 this Article shall not apply in relation to the first £1,500 sterling of the income arising in the United Kingdom in a year of assessment, and otherwise subject to tax in accordance with United Kingdom law, in respect of which that benefit is enjoyed.

(2) This Article shall apply also to any provision of Cyprus law enacted after 1 January 1978 which is of an identical or substantially similar character to the provisions mentioned in paragraph (1) of this Article."

ARTICLE III

(1) Each of the Contracting States shall notify to the other the completion of the procedure required by its law for the bringing into force of this Protocol. This Protocol shall enter into force on the date of the later of these notifications⁽²⁾ and shall thereupon have effect:

(a) in the United Kingdom:

(i) as respects income tax, for any year of assessment beginning on or after 6 April 1979; and

(ii) as respects corporation tax, for any financial year beginning on or after 1 April 1979;

(b) in Cyprus:

as respects Cyprus tax for any year of assessment beginning on or after 1 January 1979.

(2) Where any provision of the Convention before amendment by this Protocol would have afforded any greater relief from tax any such provision shall continue to have effect for any year of assessment or financial year beginning before the entry into force of this Protocol.

ARTICLE IV

This Protocol shall remain in force as long as the Convention remains in force.

⁽²⁾ The Protocol entered into force on 15 December 1980.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Protocol.

Done in duplicate in Nicosia this Second day of April, 1980 in the English language.

For the Government of the United Kingdom of Great Britain and Northern Ireland: For the Government of the Republic of Cyprus:

P. A. RHODES

G. PELAGHIAS