



# Eurofast

## Tax and

- International Tax
- National Tax
- Tax Litigation
- Real Estate
- Transfer Pricing



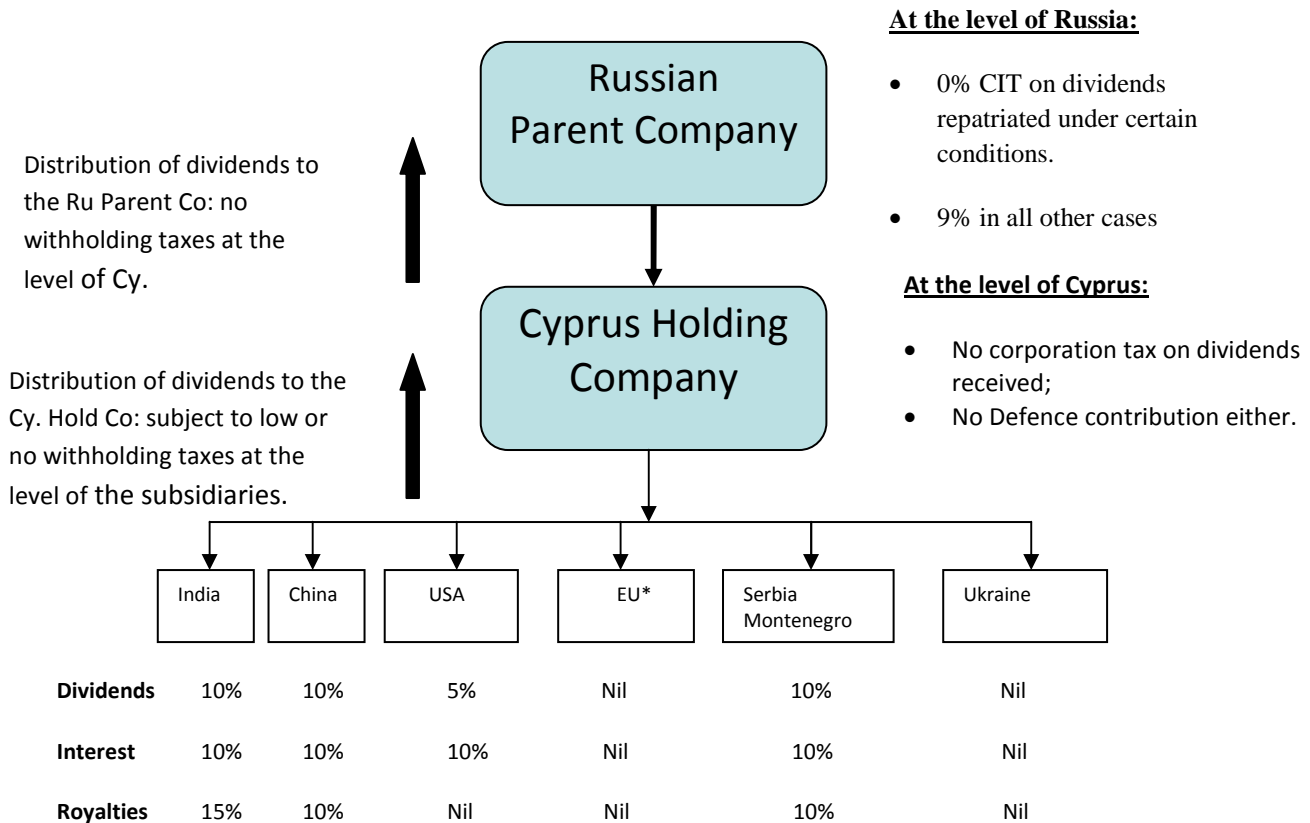
**Flexible | Exclusive | Accountable | Personal | Innovative**

Cyprus/November 2012

### Removal of Cyprus from the Russian Black List

The end of 2012 marks a great success for Cyprus. The official removal of Cyprus will take place on 1<sup>st</sup> January 2013. The amended blacklist of the Russian Ministry of Finance has been published on 31 October 2012. The Republic of Cyprus was not present on that list. The removal of Cyprus from the Russian black list has a great meaning for Cyprus. It allows Cyprus to freely present itself to the Russian market for outbound investments. Using the tax beneficial Cypriot legal entities for the purpose of investing and pay dividends back into Russia, can now occur without any obstacles.

The structure below shows how a Cypriot legal entity can now be used after Cyprus has been removed from the Russian black list. Some countries with which Cyprus has a double tax treaty (DTT) in place have been chosen for the structure, with the applicable withholding tax rates (WHT) illustrated. Do note however that the structure is used as an example and proper tax advice needs to be sought.



\* Relevant EU Directives apply that provide for 0% WHT on dividends, interests and royalties for qualifying companies.

#### Eurofast Global Offices:

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Many third country corporations wishing to invest in Russia can now do so freely using Cyprus while receiving a benefit from its appealing taxation regime.

The removal of Cyprus from the Russian blacklist has been one of the changes that were brought about by the Protocol to the DTT signed between Russia and Cyprus on 7th October 2010.

Eurofast has over 25 years of experience of advising legal entities and individuals that have ties with the Russian Federation. Eurofast can assist you in finding the most suitable structure for your particular case that will minimise taxes and ensure the smooth operation of your business.

Eurofast Taxand, Cyprus

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