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## POSTPONEMENT OF THE PROVISIONS OF CYPRUS-RUSSIA PROTOCOL

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On 29 December 2016, the Ministry of Finance announced that an agreement has been reached between the Cyprus and Russian authorities for postponing the application of the Protocol amending Article 13 of the agreement between the 2 governments for the Avoidance of Double Taxation with respect to taxes on income and capital that was signed on 7 October 2010.

The amendment provides for the taxation of capital gains from the sale of shares of companies deriving more than 50% of their value from immovable property, in the country where the immovable property is situated.

In parallel, the announcement states that an additional protocol is being finalised, providing for the application of the revised provisions of Article 13 of the said agreement, to be deferred until similar provisions are introduced in other bilateral agreements for the avoidance of double taxation between the Russian Federation and other EU countries.