

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

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PRESS RELEASE

**Sub : Notification of Completion of Internal Procedures for Revised Double
Taxation Avoidance Agreement between India and Cyprus**

A revised Agreement between India and Cyprus for the Avoidance of Double Taxation and the Prevention of Fiscal evasion (DTAA) with respect to taxes on income, along with its Protocol, was signed on 18th November, 2016 in Nicosia, which will replace the existing DTAA that was signed by two countries on 13th June 1994. The Protocol was signed by Mr. Ravi Bangar, High Commissioner of India to Cyprus on behalf of India and Mr. Harris Georgiades, the Minister of Finance on behalf of Cyprus.

Both sides have now exchanged notifications intimating the completion of their respective internal procedures for the entry into force of the DTAA, with which the revised DTAA shall come into effect in India in the fiscal years beginning on or after 1st April, 2017. The revised DTAA will enable source based taxation of capital gains on shares, except in respect of investments made prior to 1st April, 2017. In addition, the DTAA will also bring into effect updated provisions as per international standards and in accordance with the consistent position of India.

In a separate development, the notification of Cyprus under section 94A of the Income Tax Act, 1961, as a notified jurisdictional area for lack of effective exchange of information, has been rescinded with effect from 1.11.2013 [Notification No. 114/2016 dated 14.12.2016]. The bilateral economic ties between the two countries are expected to be further strengthened by these measures.

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