

TAX GUIDES 2026 · GUIDE 06

Global Tax Rates Guide

Headline corporate, personal and consumption taxes for 80+ countries and territories, with withholding tax notes, comparison qualifications and cross-border scenarios for international planning

About this guide

This publication forms part of the **ATZ FinHub Tax Guides 2026** series, prepared for business owners, finance teams, private clients and their advisers who work with, or are considering, Cyprus. The series is organised so that each guide can be read on its own, while the cross-references point to the companion guides for deeper treatment.

Guide	Title	Focus
01	Cyprus General Tax Guide	The complete framework: reforms, rates, individuals, companies, VAT, payroll, property, compliance
02	Cyprus and EU VAT Guide	Domestic VAT, cross-border goods and services, OSS/IOSS, SME scheme, property, ViDA
03	Cyprus IP Box Guide	Qualifying assets, modified nexus, worked calculations, records and filing
04	Individuals, Self-Employed and Immigration	Personal tax, residence and non-dom, reliefs, social insurance, residence and work permits
05	Cyprus Companies Tax Guide	Corporate tax computation, incentives, groups, transfer pricing, withholding, compliance calendar
06	Global Tax Rates Guide	Headline corporate, personal and consumption taxes for 80+ jurisdictions with comparison notes

Information date

The information in this guide reflects legislation, regulations and published administrative practice reviewed to **24 September 2026**. Tax law changes frequently; proposals announced but not enacted are identified as such. Rates and thresholds should be re-checked for the actual transaction or filing date.

How to read the tables

Rates are stated as headline statutory rates unless otherwise indicated. A rate is not an eligibility decision: conditions, caps, anti-avoidance rules and documentation requirements are summarised alongside each item and must be confirmed for the specific facts. Worked examples state their assumptions and are illustrative only.

IMPORTANT NOTICE

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01

Scope and how to use the comparison

This guide summarises the headline corporate, personal and consumption taxes of 84 countries and territories, with withholding tax notes and the position of each jurisdiction in the Cyprus treaty network. It is a screening tool for international planning: the tables identify the questions, and the country-specific law answers them.

84

Countries and territories, including all 27 EU member states

55

Of them are Cyprus double tax treaty partners

15%

Cyprus corporation tax and the Pillar Two minimum rate

0%

Cyprus withholding tax on dividends and interest to non-residents

• What the guide covers

The comparison is organised in five regions: the European Union, other European and Central Asian jurisdictions, the Middle East and Africa, the Americas and Asia-Pacific. For each country the tables show the headline corporate rate and its special rates, the branch rate, corporate capital gains, loss relief, the domestic withholding taxes on dividends, interest and royalties, the top personal rate and its bands, capital gains of individuals, social security, VAT or GST rates and the registration threshold, the individual residence test and the withholding ceilings under the treaty with Cyprus where one exists.

The country set covers all 27 EU member states, the main non-EU European jurisdictions including the United Kingdom, Switzerland, Norway and Ukraine, the Gulf states, Israel, South Africa and the principal African and Asian economies, the Americas, the Crown Dependencies and Gibraltar, and, new in this edition, Armenia, Azerbaijan, Kazakhstan, Kosovo, Monaco and Uruguay. Iceland, Türkiye and Seychelles, included in the previous edition, are omitted because their figures could not be verified against the sources used for this edition.

• What each column means

Reading the columns

Column	What the figure represents	What must be checked separately
Corporate tax	The ordinary headline rate on the profits of a resident company, or the distributed-profit rate where a country taxes only distributions (Estonia, Latvia, Georgia)	Tax base, reduced rates for small companies, sector rates (banks, oil and gas), local and municipal taxes, surcharges, turnover-based taxes and the Pillar Two top-up tax
Corporate capital gains	The rate on gains of a resident company; where a participation exemption exists it is noted	Holding period and percentage conditions, real estate rules, anti-abuse provisions, gains of non-residents on local shares and property
Branch rate	The rate on the profits of a permanent establishment of a foreign company, with any branch remittance tax	Whether a treaty prevents or reduces the remittance tax; attribution of profits; head office expense allocation
Loss carry-back / carry-forward	Years for which trading losses may be carried, with any percentage cap on use	Change of ownership restrictions, ring-fencing by income source, group relief
WHT dividends / interest / royalties	The domestic withholding tax on payments to a non-resident company with no treaty and no EU directive	Treaty ceilings (chapter 11), the EU Parent-Subsidiary and Interest and Royalties Directives, beneficial ownership tests, refund procedures, higher rates for non-cooperative jurisdictions
Top personal rate	The highest statutory marginal rate on employment income of a resident, including compulsory surcharges where they are part of the schedule	The threshold at which it starts, regional or municipal components, separate schedules for investment income, allowances and credits, social contributions
Capital gains (individuals)	The rate on gains of a resident individual on securities and, where different, property	Exemptions by holding period, listed-share exemptions, exit taxes, deemed disposals on departure
Social security	Employer and employee contribution rates on employment income and any ceiling	Age-related rates, sector rates, self-employed rates, totalization agreements and EU coordination rules
VAT / GST	The standard consumption tax rate, the reduced rates and the domestic registration threshold	Non-established registration (usually no threshold), place of supply, exemptions, sales taxes at state level (Canada, United States, Brazil, India)
Tax residence test	The principal domestic test for an individual	Treaty tie-breaker rules, split-year treatment, trailing residence after departure (Sweden, Norway, Denmark) and special expatriate regimes

CAUTION

A top personal rate is marginal, not the average rate on total income. A zero personal income tax entry does not mean zero social contributions, business taxes, indirect taxes or foreign source taxes. An exemption for undistributed profit is not an exemption when cash is paid to the owner, and a treaty withholding ceiling can differ from the domestic withholding applied initially.

● Vintage of the figures and fiscal years

The corporate figures are those in force for 2025 as reviewed for this edition, with enacted 2026 changes applied where the row says so. The personal and consumption tax figures are those published for 2026; where a country had not adopted its 2026 scale at the review date, the latest adopted scale (usually 2025) is shown and the note says so. The Cyprus figures are the 2026 figures after the tax reform (Guide 01).

Every comparison table and worked example in chapters 08 to 10 states its assumptions: tax year (2026 unless stated), taxpayer type, tax base, local levies included, profit or distribution vintage, and the exchange rate used for local-currency thresholds. Lower bands and allowances are treated consistently: other income is assumed to absorb them, so the marginal rate applies to the whole amount unless the note says otherwise. A statutory maximum, an effective rate and a treaty ceiling are different measures; each column heading says which is shown.

Fiscal years differ: the United Kingdom personal tax year runs from 6 April (the tables use 2025/26 and the announced 2026/27 dividend rates); Australia, New Zealand, Pakistan, India, Japan and Hong Kong use years beginning in March, April or July; Mauritius a year to 30 June; South Africa a year to 28 February. A reform can take effect part-way through a year, and the applicable date must be checked for a transaction or payroll calculation.

● Pillar Two and the meaning of a low headline rate

Groups with consolidated revenue of €750 million or more in at least two of the four preceding years are within the global minimum tax. A top-up tax may arise where the GloBE effective tax rate of a jurisdiction as a whole (covered taxes over GloBE income, being accounting profit adjusted under the model rules) is below 15%; it is collected through a domestic minimum top-up tax, the income inclusion rule or the undertaxed profits rule. Cyprus enacted its Pillar Two law from 31 December 2023 and a domestic top-up tax for years beginning on or after 31 December 2024, as have Bahrain, Kuwait, Oman, the UAE, Ireland, Singapore and the Crown Dependencies. This is not a comparison of statutory rates: a low headline rate or an incentive reduces covered taxes, but whether and how much top-up is due follows the complete jurisdictional calculation, including safe harbours, the de minimis exclusion, the substance-based income exclusion and the GloBE income adjustments. For an in-scope group a 0%, 9% or 12.5% headline rate is a starting point, not the answer; below the threshold the headline rates and incentives apply in full.

PLANNING POINT

The most common error in an international comparison is to compare a company rate in one country with a combined company-and-shareholder burden in another. Chapter 10 shows how to state each system on the same basis: corporate tax, then tax on the distribution, then the residence-country tax of the shareholder. For a Cyprus resident shareholder the last step is 0% income tax, special defence contribution of 5% for domiciled individuals (nil for non-domiciled individuals) and 2.65% general healthcare contribution on income up to €180,000.

● How to use the tables

- 01 Identify the taxpayer and the transaction**, then read the summary table in chapter 02 and the regional chapter for the special rates, bands, contributions, VAT thresholds and the Cyprus treaty note.
- 02 Check the treaty ceiling in chapter 11** and the EU directive position before assuming a withholding rate.
- 03 Apply the client-file checklist in chapter 11** and confirm the position with a local adviser, particularly where an exit tax or trailing residence rule applies.

02

Summary tables: 84 countries and territories

The five tables in this chapter give the headline corporate tax, corporate capital gains rate, top personal rate, standard VAT or GST rate and the domestic withholding taxes on dividends, interest and royalties paid to non-resident companies. Read each figure with the regional notes in chapters 03 to 07 before relying on it.

● How to read the summary

Where two or more rates are shown separated by a slash, the first is usually the rate that applies in the most common case and the others apply to the categories explained in the regional chapter. Combined systems (Germany, Japan, South Korea, Canada, the United States, Switzerland) are shown as the federal or national component with the local element indicated. "0%" in a withholding column means that the country levies no withholding tax under domestic law on the payment to a non-resident company; treaty and EU directive reductions are given in the regional chapters and chapter 11. The Cyprus row uses the 2026 rates after the tax reform.

● European Union

Summary: European Union member states

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Austria	23%	23%	55%	20%	23 / 27.5%	0 / 25%	20%
Belgium	25%	25%	50%	21%	30%	30%	30%
Bulgaria	10%	10%	10%	20%	5%	0 / 10%	0 / 10%
Croatia	18%	10 / 18%	up to 33%	25%	10%	15%	15%
Cyprus	15%	20%	35%	19%	0%	0%	0%
Czech Republic	21%	0 / 21%	23%	21%	15%	15%	15%
Denmark	22%	22%	c. 60.5%	25%	27%	0 / 22%	22%
Estonia	0 / 22%	0 / 22%	22%	24%	0%	0%	10%
Finland	20%	20%	c. 52–55%	25.5%	20% corp. / 30% other	0%	20 / 30%
France	25%	0 / 25%	45%	20%	25%	0%	25%

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Germany	15% + 5.5% solidarity	15.825%	45%	19%	25% + soli	0 / 25%	15% + soli
Greece	22%	22%	44%	24%	5%	15%	20%
Hungary	9%	9%	15%	27%	0%	0%	0%
Ireland	12.5%	33%	40%	23%	25%	20%	20%
Italy	24% IRES	24%	43%	22%	26%	26%	30% on 75%
Latvia	0 / 20%	0 / 20%	33%	21%	0%	0%	0%
Lithuania	17%	17%	32%	21%	17%	10%	10%
Luxembourg	16%	16%	45.78%	17%	15%	0%	0%
Malta	35%	35%	35%	18%	0%	0%	0%
Netherlands	25.8%	25.8%	49.5%	21%	15%	0%	0%
Poland	19%	19%	32%	23%	19%	20%	20%
Portugal	19%	19%	48%	23%	25%	25%	25%
Romania	16%	16%	10%	21%	16%	16%	16%
Slovakia	21%	10 / 21 / 24%	35%	23%	0%	19%	19%
Slovenia	22%	22%	50%	22%	15%	15%	15%
Spain	25%	25%	45–50%+	21%	19%	19%	19 / 24%
Sweden	20.6%	20.6%	c. 52%	25%	30%	0%	0%

Corporate figures are 2025 rates with enacted 2026 changes; personal and VAT figures are 2026 where adopted, otherwise 2025. Germany: 15% plus 5.5% solidarity surcharge plus trade tax averaging 14%. Italy: 24% IRES plus 3.9% IRAP on a different base. Estonia, Latvia: tax charged only on distributed profits. Luxembourg: 16% national plus municipal business tax and employment fund, 23.87% in Luxembourg City. Portugal: 19% (2026) plus municipal and state surcharges. Lithuania: 17% from 2026. Belgium, Denmark, Finland, France, Italy, Spain, Sweden: the top personal rate includes or is stated before municipal, regional or church components as described in chapter 03; Denmark's approximately 60.5% is the 2026 combined marginal burden at the average municipal rate. Estonia: 22% (the increase to 24% was cancelled). Romania: dividends 16% from 2026. Slovakia: 35% top employment band from 2026. Cyprus: 2026 rates.

● Other Europe and Central Asia

Summary: Other European and Central Asian jurisdictions

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Albania	15%	15%	23%	20%	8%	15%	15%
Armenia	18%	18%	20%	20%	5%	10%	10%
Azerbaijan	20%	20%	14 / 25%	18%	5%	10%	14%
Bosnia and Herzegovina	10%	—	10%	17%	—	—	—

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Georgia	15% on distribution	15%	20%	18%	5%	5%	5%
Gibraltar	15%	0%	28%	No VAT	0%	0%	0%
Guernsey	0%	0%	20%	No VAT/GST	0%	0%	0%
Isle of Man	0%	0%	21%	20%	0%	0%	0%
Jersey	0%	0%	20%	5% GST	0%	0%	0%
Kazakhstan	20%	20%	15%	16%	15%	15%	15%
Kosovo	10%	10%	10%	18%	0%	0 / 10%	10%
Liechtenstein	12.5%	12.5%	22.4%	8.1%	0%	0%	0%
Moldova	12%	12%	12%	20%	6%	12%	12%
Monaco	25%	25%	0%	20%	0%	0%	0%
Montenegro	9–15%	9–15%	15%	21%	15%	15%	15%
North Macedonia	10%	10%	10%	18%	10%	10%	10%
Norway	22%	22%	c. 39.7%	25%	25%	0 / 15%	0 / 15%
Serbia	15%	15%	10 / 15 / 20%	20%	20%	20%	20%
Switzerland	11–21%	Ordinary rates; participation relief	c. 22–45%	8.1%	35%	0 / 35%	0%
Ukraine	18%	18%	18% + 5%	20%	15%	15%	15%
United Kingdom	25%	25%	45%	20%	0%	20%	20%

Bosnia and Herzegovina: no corporate chapter in the source guides for this edition; the 10% rate is carried from the previous review and marked to be confirmed. Switzerland: combined federal, cantonal and communal maximum effective rates. Norway: 22% ordinary income tax plus step tax of up to 17.7% on personal income. United Kingdom: 25% main rate with a 19% small profits rate; personal 45% for the rest of the UK and 48% in Scotland (2025/26). Ukraine: 18% income tax plus 5% military levy. Gibraltar and Guernsey levy no VAT; Monaco applies the French VAT system, including the 20% standard rate; Liechtenstein applies the Swiss VAT system. Azerbaijan: whether the former USSR treaty is recognised by both administrations must be confirmed before any treaty relief is assumed.

● Middle East and Africa

Summary: Middle East and Africa

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Bahrain	0%	0%	0%	10%	0%	0%	0%
Egypt	22.5%	22.5%	27.5%	14%	10%	20%	20%
Israel	23%	23%	50%	18%	25 / 30%	23%	23%
Jordan	20%	20–35%	30%	16% sales tax	0%	5 / 7 / 10%	10% + contribution

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Kenya	30%	15%	35%	16%	15%	15%	20%
Kuwait	15%	15%	0%	No VAT	0%	0%	0%
Mauritius	15%	0%	20%	15%	0%	15%	15%
Morocco	20 / 35%	Same as CIT	37%	20%	12.5%	10%	10%
Nigeria	0 / 30%	Within company income tax	25%	7.5%	10%	10%	10%
Oman	15%	15%	0%	5%	10%	10%	10%
Qatar	10%	0 / 10%	0%	No VAT	0%	5%	5%
Saudi Arabia	20%	20%	0%	15%	5%	5%	15%
South Africa	27%	21.6% effective	45%	15%	20%	15%	15%
United Arab Emirates	9%	9%	0%	5%	0%	0%	0%

Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates levy no personal income tax on salaries; Oman introduces a 5% tax above OMR 42,000 from 1 January 2028. Kuwait and Qatar corporate tax applies to the foreign-owned share of profits; Saudi Arabia applies zakat to the Saudi and GCC-owned share. Jordan: 20% general rate plus a national contribution of 1% to 7% by sector; banks 35%. Morocco: unified 20% and 35% rates from 2026 (35% above MAD 100 million profit); the 12.5% dividend withholding is a step in a phased reduction and the rate for the payment date must be confirmed. Oman: the statutory 10% withholding on dividends and interest is reported to be suspended; confirm the operative position before use. Qatar: no domestic withholding on ordinary dividends; 5% applies to interest, royalties, commissions and services. Nigeria: Nigeria Tax Act 2025 rates for 2026 (small companies 0%, others 30%, 4% development levy separate). Kuwait and Qatar VAT: 5% expected under the GCC framework, not yet in force. Israel: 47% top band plus 3% surtax.

● Americas

Summary: Americas

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Argentina	25–35%	25–35%	35%	21%	7%	15.05 / 35%	21 / 28 / 31.5%
Brazil	34% combined	15–25%	27.5%	Multiple (ICMS, IPI, ISS, PIS/COFINS)	10%	15%	15% + 10% CIDE
Canada	15% federal	7.5% federal	33% federal	5% GST	25%	0 / 25%	25%
Chile	27%	—	40%	19%	35%	35%	30%
Colombia	35%	15%	39%	19%	20%	20%	20%
Mexico	30%	30%	35%	16%	10%	10 / 35%	25 / 35%
United States	21% federal	21%	37% federal	No federal VAT	30%	30%	30%

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Uruguay	25%	25%	36%	22%	7%	12%	12%

Canada and the United States: federal rates; provincial and state taxes are additional (combined Canadian corporate rates approximately 23% to 31%; top combined personal rates 44.5% to 54.8%). Brazil: 34% combines 15% income tax, the 10% surtax and the 9% social contribution; dividends to non-residents bear 10% withholding from 1 January 2026 (Law 15,270/2025) with grandfathering of pre-2026 profits approved for distribution by 31 December 2025; Brazil has several consumption taxes rather than one VAT. Chile: no corporate chapter in the source guide; the 27% First Category Tax is confirmed in the personal chapter and the branch, capital gains and loss columns are left blank. Argentina: corporate bands indexed annually. The United States has no federal VAT; state and local sales taxes range from 2.9% to 7.25% at state level, up to 13.5% combined.

● Asia-Pacific

Summary: Asia-Pacific

Country / territory	Corporate tax	Corporate capital gains	Top personal rate	VAT / GST standard	WHT dividends	WHT interest	WHT royalties
Australia	30%	30%	45%	10% GST	30% unfranked	10%	30%
China	25%	25%	45%	13%	10%	10%	10%
Hong Kong	16.5%	0%	17%	No VAT/GST	0%	0%	4.95%
India	30%	12.5% long-term / 30%	30% + surcharge	18% GST	20% + surcharge/cess	20%	20%
Indonesia	22%	22%	35%	12%	20%	20%	20%
Japan	23.2%	23.2%	45% + 10% local	10% consumption tax	20.42%	15.315 / 20.42%	20.42%
Malaysia	24%	10% / RPGT 30%	30%	10% sales / 8% service tax	0%	15%	10%
New Zealand	28%	0%	39%	15% GST	30%	15%	15%
Pakistan	29%	Various	45%	18% goods	15%	10 / 15 / 20%	15 / 20%
Singapore	17%	0%	24%	9% GST	0%	15%	10%
South Korea	25% + 10% local	25% + local	45% + 10% local	10%	20%	14 / 20%	20%
Taiwan	20%	20%	40%	5%	21%	15 / 20%	20%
Thailand	20%	20%	35%	7%	10%	15%	15%
Vietnam	20%	20%	35%	10%	0%	5%	10%

Japan: 23.2% national with local taxes giving an effective rate of approximately 31% (32% from April 2026); withholding rates include the 2.1% reconstruction surtax. South Korea: 2026 national bands of 10%, 20%, 22% and 25% plus local income tax of 10% of the national tax (the 2025 bands were 9%, 19%, 21% and 24%). India: 30% standard, 25% below INR 4 billion turnover, 22% optional regime; surcharges and 4% cess apply to all rates and to withholding. Hong Kong: two-tier profits tax with 8.25% on the first HKD 2 million. Singapore: 17% with partial exemptions. Malaysia: sales tax and service tax, not VAT. Thailand: 7% VAT by decree (10% statutory). Vietnam: 10% standard, 8% temporarily on eligible supplies.

03

European Union member states

The 27 member states share the VAT system, the Parent-Subsidiary and Interest and Royalties Directives, the anti-tax-avoidance rules and Pillar Two, but their corporate rates range from 9% to 35% and their top personal rates from 10% to over 55%. This chapter sets out the detail behind the summary table and the position of each state in relation to Cyprus.

9%

Lowest EU corporate rate (Hungary); Bulgaria 10%, Ireland 12.5%

35%

Highest statutory rate (Malta), reduced by shareholder refunds

27%

Highest standard VAT rate (Hungary); lowest 17% (Luxembourg)

26

EU states with a Cyprus treaty (all except Cyprus itself)

• Corporate taxation

Three groups can be distinguished. The low-rate states (Hungary 9%, Bulgaria 10%, Ireland 12.5% on trading income, Cyprus 15%, Romania 16%, Luxembourg 16% before municipal tax, Lithuania 17%) compete on the headline rate. The distribution-tax states (Estonia 22%, Latvia 20%) charge nothing on retained profits and tax the gross distribution, so that the timing of the charge is controlled by the shareholder. The remaining states apply rates between 19% and 25.8% with reduced rates for small companies (Belgium 20%, the Netherlands 19%, Poland 9%, France 15%, Portugal 15% on the first €50,000, Slovakia 10%, Croatia 10%, Lithuania 7%) and surcharges for banks, large companies or local authorities.

Corporate taxation: European Union member states

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Austria	23%	Single rate on distributed and undistributed profits	23%	23%	0	Unlimited (75% offset cap)
Belgium	25%	20% on first €100,000 for qualifying small companies	25%	25% (0/20/25% by asset)	0	Unlimited
Bulgaria	10%	Flat rate; listed-share gains on EU/EEA exchanges exempt	10%	10%	0	5 years
Croatia	18%	10% where revenue does not exceed €1 million	10 / 18%	10 / 18%	0	5 years

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Cyprus	15%	15% from 1 January 2026 (12.5% to 2025); IP Box effective 3% (80% deduction under modified nexus); tonnage tax for shipping	15%	20% (Cyprus immovable property only)	0	7 years (5 to 2025)
Czech Republic	21%	5% basic investment funds; 0% pension funds	21%	0 / 21%	2 years (CZK 30m cap)	5 years
Denmark	22%	Financial companies 26%	22%	22%	0	Unlimited
Estonia	0 / 22%	No tax on retained profits; 22% on gross distributed profit (22/78 of net)	22%	0 / 22%	n/a	n/a (distribution system)
Finland	20%	Flat rate	20%	20%	0	10 years
France	25%	Surtaxes for large companies; reduced 15% band for SMEs on first €42,500 (see chapter 10)	25% (+25% remittance, nil EU)	0 / 25% (participation regime)	1 year (€1m cap)	Unlimited (€1m + 50% cap)
Germany	15% + 5.5% solidarity	15.825% federal plus trade tax averaging 14% (c. 30% combined)	15.825%	15.825% (95% share-gain exemption)	2 years	Unlimited (minimum taxation rules)
Greece	22%	Banks 29% under deferred tax rules	22%	22%	0	5 years
Hungary	9%	Local business tax up to 2% on a turnover-based base; minimum tax base rules	9%	9%	0	5 years
Ireland	12.5%	12.5% trading; 25% non-trading and certain activities; 15% domestic top-up tax for Pillar Two groups	12.5%	33%	1 year	Unlimited
Italy	24% IRES	Plus IRAP 3.9% on net production value; banks +3.5%	24%	24% (95% participation exemption)	0	Unlimited (80% cap)
Latvia	0 / 20%	No tax on retained profits; 20% on gross distribution (20/80 of net)	20%	0 / 20%	n/a	n/a (distribution system)
Lithuania	17%	17% from 1 January 2026 (16% in 2025); 7% for small entities with fewer than 10 employees and revenue below €300,000 (0% in the first two years, subject to conditions); banks +5% over €2m	17%	17% (share exemption for 10%/2-year holdings)	0	5 years / unlimited
Luxembourg	16%	Combined with municipal business tax and employment fund: 23.87% in Luxembourg City	16%	16% (participation exemption)	0	17 years
Malta	35%	Shareholder refunds (typically 6/7ths) can reduce the combined burden to c. 5%; refund is a separate, conditional step	35%	35%	0	Unlimited

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Netherlands	25.8%	19% on first €200,000; Innovation Box 9%	25.8%	25.8% (participation exemption)	1 year	Unlimited (50% cap over €1m)
Poland	19%	9% for small taxpayers (revenue up to €2m); 5% IP Box	19%	19%	0	5 years (50% cap unless below PLN 5m)
Portugal	19%	19% mainland rate for 2026 periods (20% in 2025); municipal surcharge up to 1.5% and state surcharge 3–9% are separate; qualifying SMEs 15% on the first €50,000; reduced regional rates in the Azores and Madeira	19%	19%	0	Unlimited (65% cap)
Romania	16%	Micro-enterprise tax of 1% of revenue for qualifying companies with revenue up to €100,000 (2026 ceiling), subject to all eligibility conditions	16%	16%	0	5 years (70% cap)
Slovakia	21%	10% for micro-entities up to €100,000 taxable income; 24% over €5 million	10 / 21 / 24%	10 / 21 / 24%	0	4 / 5 years
Slovenia	22%	Temporary rate for 2024–2028 (19% standard)	22%	22%	0	5 years
Spain	25%	Reduced rates for micro and small companies and new companies (15% first two profitable years)	25% (+19% remittance)	25% (95% participation exemption)	0	Unlimited (70% cap)
Sweden	20.6%	Flat rate; see chapter 08	20.6%	20.6% (exempt business-related shares)	0	Unlimited

Corporate figures are the rates in force for 2025 with enacted 2026 changes applied where the row says so. Cyprus: 15% from 1 January 2026. Lithuania: 17% standard and 7% small-entity rate from 1 January 2026. Portugal: 19% mainland rate for 2026 periods, with the municipal and state surcharges and the regional rates stated separately. Romania: the 1% micro-enterprise tax applies up to the €100,000 revenue ceiling from 2026. Loss carry-forward caps refer to the share of taxable income that can be absorbed in a year.

PLANNING POINT

For a Cyprus holding company, an EU subsidiary can usually pay dividends without withholding tax under the Parent-Subsidiary Directive once the holding (generally 10%, 5% in France and the Netherlands, 25% for the Belgian treaty rate) and the minimum holding period (typically one or two years) are satisfied. The directive is subject to the general anti-abuse rule: the Cyprus company must have substance and a business reason for the structure, and several states (Germany, Denmark, Italy, the Netherlands) apply beneficial ownership and anti-treaty-shopping tests at source. Where the directive is not available, the treaty rates in the third table apply.

● Personal taxation and social security

Top personal rates range from the flat 10% of Bulgaria and Romania and the 15% of Hungary to 55% in Austria (above €1 million), 50% in Belgium and Slovenia and approximately 52% to 60.5% in the Nordic states once municipal taxes and, in Denmark, the 2026 middle, top and top-top taxes are added. Slovakia's employment schedule now reaches 35% and Greece applies 39% between €40,000 and €60,000 and 44% above €60,000. Several states tax investment income under a separate flat schedule that is lower than the top employment rate: Germany 26.375%, Italy 26%, France 31.4% from 2026 (12.8% income tax plus 18.6% social charges), Spain 19% to 30%, Poland 19%, Greece 5% on dividends, Romania 16% on dividends from 2026, Sweden 30%. The Netherlands taxes substantial shareholdings in Box 2 at 24.5% and 31%.

Social security is the second largest cost in most of the EU. Employer contributions exceed 30% of salary in France, Slovakia, Spain, Sweden, Estonia, Italy and the Czech Republic, whereas Ireland (11.25%), Malta (10% capped), Denmark (a fixed amount) and Cyprus (8.8% capped, plus 2.9% GHS and small funds) are low. Under EU Regulation 883/2004 an employee is insured in one state only, normally the state of work, so the applicable rate follows the place of work rather than the residence of the employee or the location of the employer.

Personal taxation and social security: European Union member states

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Austria	55%	55% band on income over €1,000,000 (to 2029); 50% from €104,859; 48% from €70,365 (2026 bands)	27.5% on shares; 30% on real estate	Employer c. 21%, employee c. 18% (pension 12.55% / 10.25%, health 3.78% / 3.87%, unemployment 2.95% each), base €6,930 per month (2026)	Residence available for use or habitual abode in Austria
Belgium	50%	50% above €49,820 plus municipal surcharge of up to 9% of the tax (2025 income year)	Generally exempt for private assets; speculative gains and certain share sales taxed	Employer basic 19.88% (c. 25% actual), employee 13.07%, no ceiling	Domicile in Belgium; registration in the National Register creates a rebuttable presumption
Bulgaria	10%	Flat 10% on most income; dividends 5%	10% after a fixed 10% deduction; EU/EEA listed securities exempt	Employer c. 19%, employee c. 14% (pension 11.02% / 8.78%, health 4.8% / 3.2%, other), capped	More than 183 days in any 12 months or centre of vital interests
Croatia	up to 33%	Two brackets set by each municipality: lower 15–23% up to €60,000, higher 25–33% above	12% on financial assets acquired from 2016 (exempt if held two years)	Employer 16.5% (health), employee 20% (pension)	Permanent or temporary place of residence; abode available for 183 days
Cyprus	35%	35% above €72,000; nil band €22,000 (2026); 50% exemption for new residents earning over €55,000	20% on Cyprus immovable property; securities exempt	Social insurance 8.8% each on €68,904 (2026); GHS 2.90% employer / 2.65% employee	183 days, or 60-day rule with Cyprus home and activity

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Czech Republic	23%	15% up to CZK 1,762,812 (2026), 23% above	Ordinary rates; securities and property exempt after holding periods	Employer 33.8%, employee 11.6% (social security capped at 48 × average wage)	183 days in a calendar year or permanent home
Denmark	c. 60.5%	2026 structure: bottom tax, middle tax 7.5%, top tax 7.5% and top-top tax 5% on the highest incomes, plus 8% labour-market tax; highest combined marginal burden approximately 60.5% at the average municipal rate, excluding church tax	Share income up to 42%; exit tax on departure	Minimal: ATP DKK 297 per month (one third employee)	Home in Denmark or stay of six consecutive months
Estonia	22%	Flat 22% in 2026 (the increase to 24% previously planned for 2026 was cancelled); basic exemption €8,400 from 2026	Flat 22%; home sale exempt	Employer social tax 33% (no ceiling) + 0.8%; employee 1.6% + pension 2–6%	Permanent residence or 183 days in 12 months
Finland	c. 52–55%	National 44.25% above €150,000 plus municipal 4.7–10.9%, church 1–2.25% and YLE tax (2025)	30%, 34% on capital income over €30,000	Employee c. 9.5% (pension 7.15%, unemployment 0.59%, health c. 1.9%); employer up to 20.65%	Permanent home or continuous stay over six months
France	45%	45% above €180,294 (2024 scale) plus exceptional contribution 3–4% on reference income over €250,000	Flat tax 31.4% (12.8% income tax + 18.6% social charges from 1 January 2026) on securities; progressive option	Employee c. 15–24%, employer c. 35–47% of gross salary (2025)	Home, principal abode, professional activity or centre of economic interests in France
Germany	45%	45% from €277,826 (single); 42% from €68,481; plus 5.5% solidarity surcharge above thresholds	Flat 25% plus solidarity surcharge (26.375%); 1%+ holdings under partial-income method	Pension and unemployment 21.2% shared equally to €96,600; health 14.6% to €66,150 (2025)	Domicile or customary abode (six months)
Greece	44%	2026 scale: 9% to €10,000, 20% to €20,000, 26% to €30,000, 34% to €40,000, 39% to €60,000, 44% above €60,000; lower bands for families with children and individuals under 30	15% on securities; listed shares only for 0.5%+ holdings	Employer 21.79%, employee 13.37%, ceiling €7,572.62 per month	Centre of vital interests or habitual abode (over 183 days)
Hungary	15%	Flat 15% on consolidated base and investment income	Flat 15%	Employer social tax 13%; employee social security contribution 18.5%	Citizenship, permanent home or habitual abode; 183 days

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Ireland	40%	40% above €44,000 (single) plus USC up to 8% (11% on non-employment income over €100,000) and PRSI 4.2%	33%	Employer PRSI 11.25%, employee 4.2% (from 1 October 2025), no ceiling	183 days in the year or 280 days over two years
Italy	43%	43% above €50,000 plus regional 0.7–3.63% and municipal up to 1.2%	26% substitute tax on securities	Employee c. 9–10% (+1% over €55,448), employer c. 27–32%	Habitual abode, domicile or registration for the greater part of the year
Latvia	33%	25.5% up to €105,300, 33% above; additional 3% on income over €200,000	25.5%	Employer 23.59%, employee 10.5%	Declared residence or 183 days in 12 months
Lithuania	32%	20% up to 36 average monthly salaries (AMS), 25% to 60 AMS, 32% above (2026)	15% up to 12 AMS, then aggregate rates (2026)	Employee 12.52% (15.52% with pension accumulation); employer 1.77–2.49%; ceiling 60 AMS	Permanent residence, centre of interests or 183 days
Luxembourg	45.78%	Maximum 42% plus 9% employment fund contribution above €234,870 (class 1, 2025)	Substantial holdings taxed at half the average rate after six months	Employee c. 12.45%, employer c. 12–15% (pension 8% each, health 3.05% each); ceiling	Accommodation indicating non-temporary residence, or more than six months
Malta	35%	35% above €60,000 (all rate scales)	Taxed with income at up to 35%; property transfers 8% final on value	10% employer and 10% employee, weekly minimum and maximum	More than 183 days; remittance basis for non-domiciled residents
Netherlands	49.5%	49.5% above €76,817 (Box 1, 2025); Box 2 substantial interests 24.5% / 31%; Box 3 36%	Generally exempt; substantial interests Box 2	National insurance 27.65% within the first Box 1 band (to €38,441); employee insurance paid by employer	Facts and circumstances: lasting personal ties
Poland	32%	12% to PLN 120,000, 32% above; 4% solidarity tax on income over PLN 1 million	19% flat on securities and real estate (property exempt after five years)	Employee c. 13.71% plus 9% health; employer c. 19.5–22% (pension 19.52% shared)	Centre of vital interests or more than 183 days
Portugal	48%	48% above €83,696 plus solidarity 2.5% over €80,000 and 5% over €250,000 (2025)	Ordinary rates on property (50% of gain); securities 28% autonomous rate	Employer 23.75%, employee 11%, no ceiling	183 days in 12 months or dwelling suggesting habitual residence

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Romania	10%	Flat 10%; dividends 16% from 1 January 2026 (10% for dividends distributed on or before 31 December 2025, with transitional rules for interim dividends)	10%	Employee 35% (pension 25%, health 10%); employer 2.25%	Domicile or centre of vital interests; 183 days
Slovakia	35%	Employment income 2026: 19%, 25%, 30% and 35% bands, the 35% rate applying to the taxable base above €75,010.32; business income concessions and the separate dividend base are not part of this schedule	Ordinary rates; exemptions after holding periods	Employee 13.4%, employer 36.2%, assessment base capped at €15,730 per month (excl. health)	Permanent home with ties, or 183 days
Slovenia	50%	50% above €78,016.32 (2025)	Separate schedule declining with holding period	Employer 16.1%, employee 22.1%, no ceiling	Registered residence, centre of interests or 183 days
Spain	45–50%+	Regional top rates: 45% Madrid, 50% Catalonia over €300,000; savings income 19–30%	Savings scale 19–30%	Employer 30.57% plus activity surcharge, employee 6.48%; base capped at €58,914 (2025) plus solidarity contribution	More than 183 days or centre of economic interests
Sweden	c. 52%	Municipal 29–36% plus national 20% on taxable earned income above SEK 643,000 (2026); SINK for non-residents 22.5% (20% from 2027)	30% listed shares, 25% unlisted; 22% private home	Employer 31.42%; employee 7% pension charge fully credited	Six months' presence with regular overnight stays; essential ties after departure

Personal rates are the 2026 scales where adopted (Austria, Cyprus, Denmark, Estonia, Greece, Lithuania, Slovakia, Sweden, Czech Republic thresholds), otherwise 2025 (Belgium, Finland, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovenia) or the latest adopted scale (France 2024 for the employment scale; the 31.4% flat tax on investment income is the 2026 rate). Social security rates are those published for 2025 or 2026 and exclude sector-specific and voluntary elements.

CAUTION: EXIT AND TRAILING TAXES

Denmark taxes a deemed disposal of shares on departure. Germany applies an exit tax to holdings of 1% or more when a long-term resident leaves. France, the Netherlands, Spain, Italy, Austria, Belgium, Luxembourg, Ireland and Poland have exit or deemed disposal rules for substantial holdings or for companies migrating. Sweden retains taxing rights over share gains for ten years after departure and continues to treat an individual with essential ties as resident (chapter 08). A relocation to Cyprus must be planned with a local adviser in the departure state before the move; the Cyprus non-domicile regime does not reduce a charge that crystallises on departure.

● VAT and the Cyprus treaty position

The EU VAT Directive fixes a minimum standard rate of 15% and permits two reduced rates of at least 5% plus certain super-reduced and zero rates. Three different thresholds are often confused, and the table below keeps them apart. Every member state except Spain operates a domestic small-enterprise (SME)

exemption for businesses established there, with national thresholds from €10,000 in Greece to €85,000 for goods in France, Ireland and Italy; Germany applies €25,000 for the prior year with €100,000 for the current year, the Netherlands €20,000 under the KOR scheme, Belgium €25,000, Luxembourg €50,000, Portugal €15,000, Hungary HUF 20,000,000 (from 1 January 2026) and Cyprus €15,600. A business that is not established in a member state has no registration threshold there and must register from its first taxable supply, unless it is a small enterprise established elsewhere in the EU using the cross-border SME scheme. Since 1 January 2025 that scheme allows a small business established in one member state to trade exempt in another where its Union-wide turnover does not exceed €100,000 and the national threshold of that state is respected, on registration for an EX number in its home state. Finally, the €10,000 EU-wide threshold for intra-Community distance sales and cross-border digital services decides only where VAT is due; it is not a registration threshold. The mechanics are covered in Guide 02, Cyprus and EU VAT Guide.

EU VAT thresholds: what each rule does

Rule	Who it applies to	Threshold	Effect
Domestic SME exemption	Business established in the member state	National threshold (table below); Germany prior year / current year test; Spain has no exemption	May trade without charging VAT below the threshold; registration for other purposes may still be required
Non-established supplier	Business established outside the member state	No threshold in any member state	Register (or appoint a representative) from the first taxable supply, unless the reverse charge or a special scheme applies
Cross-border EU SME scheme (from 1 January 2025)	Small enterprise established in another member state	Union turnover not more than €100,000 in the current and previous year and the national threshold of the state of supply	Exempt supplies in that state under an EX number issued by the home state
€10,000 distance-sales rule	Supplier of intra-Community distance sales and cross-border digital services to consumers	€10,000 EU-wide	Determines the place of supply (home state below, customer's state above); it does not create or remove a registration threshold

Consumption taxes and Cyprus treaty position: European Union member states

Country	VAT / GST standard	Reduced rates	Domestic SME exemption (established businesses)	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Austria	20%	10%, 13%	€55,000	Yes	10% / Nil / Nil	Treaty 10% on dividends; nil under the EU Parent-Subsidiary Directive for qualifying holdings
Belgium	21%	6%, 12%	€25,000	Yes	10/15% / 0/10% / Nil	Treaty rate 10% for companies holding at least 25%; EU directive can reduce to nil for qualifying parents
Bulgaria	20%	9%	€51,130	Yes	5/10% / 0/7% / 10%	No Bulgarian WHT on dividends paid to EU/EEA companies under domestic law; treaty 5% for 25% holdings
Croatia	25%	5%, 13%	€60,000	Yes	5% / 0/5% / 5%	New treaty effective 1 January 2024: 5% on dividends, interest and royalties

Country	VAT / GST standard	Reduced rates	Domestic SME exemption (established businesses)	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Cyprus	19%	3%, 5%, 9%	€15,600	—	—	Home jurisdiction of the comparison; see Guides 01, 04 and 05
Czech Republic	21%	12%	CZK 2,000,000 (c. €83,000)	Yes	0/5% / Nil / 0/10%	Nil on dividends for 10% holdings kept one year; royalties 10% on patents and software
Denmark	25%	None	DKK 50,000 (c. €6,700)	Yes	0/15% / Nil / Nil	Nil on dividends for 10% corporate holdings held one year; 15% otherwise
Estonia	24%	9%, 13%	€40,000	Yes	Nil / Nil / Nil	Nil under treaty; Estonian distribution tax applies at company level regardless of recipient
Finland	25.5%	10%, 13.5%	€20,000	Yes	5/15% / Nil / Nil	5% on dividends to companies holding 10% of votes; 15% otherwise
France	20%	2.1%, 5.5%, 10%	€85,000 goods / €37,500 services	Yes	10/15% / 0/10% / 0/5%	10% dividends for 10% corporate holdings; EU directive nil at 5% holding for two years
Germany	19%	7%	€25,000 prior year / €100,000 current year	Yes	5/15% / Nil / Nil	5% for 10% corporate holdings; nil under EU directive at 10% for 12 months, subject to anti-treaty-shopping rules
Greece	24%	4%, 6%, 13%	€10,000	Yes	25% / 10% / 0/5%	Treaty ceiling 25% on dividends is above the 5% domestic rate: domestic law governs; EU directive nil for parents
Hungary	27%	5%, 18%	HUF 20,000,000	Yes	5/15% / 0/10% / Nil	No Hungarian WHT on payments to companies under domestic law
Ireland	23%	9%, 13.5%	€42,500 services / €85,000 goods	Yes	Nil / Nil / 0/5%	Nil WHT under the treaty on dividends and interest to Cyprus
Italy	22%	4%, 5%, 10%	€85,000 (regime forfettario)	Yes	15% / 10% / Nil	Treaty 15% exceeds the 1.2% rate for EU companies and the nil rate under the EU directive; domestic rules usually apply
Latvia	21%	5%, 12%	€50,000	Yes	0/10% / 0/10% / 0/5%	Nil where the beneficial owner is a Cyprus company; 10% or 5% otherwise
Lithuania	21%	5%, 12%	€45,000	Yes	0/5% / Nil / 5%	Nil on dividends for 10% corporate holdings
Luxembourg	17%	3%, 8%, 14%	€50,000	Yes	0/5% / Nil / Nil	Nil on dividends for 10% corporate holdings
Malta	18%	5%, 7%, 12%	€35,000	Yes	Nil / 0/10% / 10%	No Maltese WHT on outbound payments under domestic law

Country	VAT / GST standard	Reduced rates	Domestic SME exemption (established businesses)	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Netherlands	21%	9%	€20,000 (KOR)	Yes	0/15% / Nil / Nil	New treaty from 1 January 2024: nil on dividends for 5% corporate holdings held 365 days
Poland	23%	5%, 8%	PLN 240,000 (c. €56,800)	Yes	0/5% / 0/5% / 5%	Nil on dividends for 10% corporate holdings kept two years
Portugal	23% (Madeira 22%, Azores 16%)	6%, 13%	€15,000	Yes	10% / 10% / 10%	10% under treaty; EU directive can eliminate WHT for parents
Romania	21%	11%	RON 395,000	Yes	10% / 0/10% / 0/5%	Treaty 10% is below the 16% domestic dividend rate from 2026; EU directive nil for qualifying parents
Slovakia	23%	5%, 19%	€50,000	Yes	10% / 0/10% / 0/5%	Czechoslovakia treaty applies; no domestic WHT on dividends to companies
Slovenia	22%	5%, 9.5%	€60,000	Yes	5% / 0/5% / 5%	5% on dividends, interest and royalties
Spain	21%	4%, 10%	No domestic SME exemption	Yes	0/5% / Nil / Nil	Nil on dividends for 10% corporate holdings; 5% otherwise
Sweden	25%	6%, 12%	SEK 120,000 (c. €10,500)	Yes	5/15% / 0/10% / Nil	5% on dividends to companies holding 25%; 15% otherwise; domestic exemption for qualifying foreign companies. Food VAT 6% from 1 April 2026 to 31 December 2027 (temporary); restaurant and catering 12%

Domestic SME exemption column: national threshold for businesses established in the state, from the Commission's SME VAT country rules and the 2026 VAT reference sources reviewed for this edition; a figure for a state where the source data differ should be confirmed against the current national rule before use. Non-established suppliers have no threshold in any member state. Finland: reduced rate 13.5% from 1 January 2026 (formerly 14%). Sweden: food 6% from 1 April 2026 to 31 December 2027 (temporary), restaurant and catering services 12%. Treaty column: maximum withholding tax that the partner state may charge on dividends, interest and royalties paid to a Cyprus resident under the treaty in force (D / I / R). Where two rates are shown the lower applies to qualifying corporate holdings as noted. The EU directives may reduce the rate to nil; Cyprus levies no withholding tax on outbound dividends and interest under domestic law.

WORKED EXAMPLE: EU SUBSIDIARY OF A CYPRUS HOLDING

A Cyprus holding company owns 100% of a German trading subsidiary that earns €500,000 taxable profit. German corporation tax and solidarity surcharge (15.825%) and trade tax at the average 14% total €149,125, leaving €350,875. The subsidiary distributes the full amount. Under the Parent-Subsidiary Directive, with the 10% holding held for 12 months and the anti-treaty-shopping conditions met, German withholding tax is nil; without the directive the treaty allows 5% (€17,544) and domestic law 26.375% (€92,543, partly refundable). In Cyprus the dividend is exempt from corporation tax and from special defence contribution, provided that not more than 50% of the German company's activities produce investment income or its foreign tax is not significantly lower than 7.5%. The Cyprus company therefore receives €350,875 with no further tax. Assumptions: 2026 profit and distribution; taxable profit equals accounting profit; trade tax at the 400% multiplier; the Cyprus company is a resident company and the beneficial owner; figures in euro, no exchange rate needed.

04

Other Europe and Central Asia

Outside the EU the range is wider: the Crown Dependencies with 0% general corporate rates and no capital gains tax, Gibraltar with a 15% corporation tax on a territorial basis (income accrued in or derived from Gibraltar) and no capital gains tax, the Western Balkans and the Caucasus with flat rates of 9% to 20%, and the United Kingdom, Switzerland and Norway with mature systems in which local or cantonal components decide the real burden.

0%

General corporate rate in Guernsey, Jersey and the Isle of Man

11–21%

Swiss combined corporate rate by canton

25%

UK main rate; 19% small profits rate below £50,000

35%

Swiss dividend withholding, reduced to nil for qualifying Cyprus parents

• Corporate taxation

The Crown Dependencies apply a 0% standard rate with 10% for regulated financial services and 20% for property, utilities and (in Jersey and the Isle of Man) large retailers; all three have introduced a Pillar Two domestic top-up tax for in-scope groups, and Guernsey extends it to a large-group minimum. Gibraltar applies 15% (12.5% before 1 July 2024) on income accrued in or derived from Gibraltar, with 20% for utilities and companies in a dominant market position. Georgia follows the Estonian model and taxes only distributed profits at 15%. Switzerland's rate is the sum of the 7.8% effective federal tax and the cantonal and communal taxes, giving 11% to 21% depending on location. Norway applies 22% (25% for the financial sector) and the United Kingdom 25% with a 19% small profits rate and marginal relief up to £250,000 of profits, the limits being divided among associated companies.

Corporate taxation: Other European and Central Asian jurisdictions

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Albania	15%	0% until 2029 for turnover up to ALL 14 million (business income)	15%	15%	0	5 years
Armenia	18%	Flat rate	18%	18%	0	5 years
Azerbaijan	20%	Flat rate; 5% branch remittance tax	20% (+5% remittance)	20%	0	5 years

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Bosnia and Herzegovina	10% (to be confirmed)	No corporate chapter in the source guide; 10% in each entity per previous review	—	—	—	—
Georgia	15% on distribution	Estonian-style: tax only on distributed profits; banks and financial institutions 20%	15%	15%	n/a	n/a
Gibraltar	15%	15% from 1 July 2024 (12.5% before); 20% utilities and dominant-position companies	15%	0%	0	Unlimited
Guernsey	0%	10% specified financial services; 20% property and utilities; Pillar Two top-up for large groups	0%	0%	0 (2 years terminal)	Unlimited
Isle of Man	0%	10% banking and large retail (15% for Pillar Two groups); 20% land and property	0%	0%	1 year	Unlimited
Jersey	0%	10% regulated financial services; 20% utilities, property and large retailers	0%	0%	See note	Unlimited
Kazakhstan	20%	Additional 15% branch profits tax	20% (+15%)	20%	0	10 years
Kosovo	10%	Flat rate	10%	10%	0	4 years
Liechtenstein	12.5%	Minimum tax CHF 1,800; notional interest deduction on equity	12.5%	12.5% (real estate up to 24%)	0	Unlimited (70% cap)
Moldova	12%	Flat rate; IT park residents 7% of sales	12%	12%	0	5 years
Monaco	25%	Applies only to businesses with over 25% of turnover outside Monaco and to IP income	25%	25%	1 year (€1m)	Unlimited (€1m + 50% cap)
Montenegro	9–15%	Progressive: 9% to €100,000, 12% to €1.5 million, 15% above	9–15%	9–15%	0	5 years
North Macedonia	10%	Flat rate; small-company concessions	10%	10%	0	3 / 5 years
Norway	22%	Financial sector 25%; petroleum and hydropower special taxes	22%	22% (exempt shares under exemption method)	0	Unlimited
Serbia	15%	Flat rate	15%	15%	0	5 years
Switzerland	11–21%	Combined federal (7.8% effective) and cantonal/communal rates; depends on canton	11–21%	Ordinary rates; participation relief	0	7 years
Ukraine	18%	Banks and other financial institutions higher rates; Diia City special regime	18%	18%	0	Unlimited

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
United Kingdom	25%	19% small profits rate below £50,000 with marginal relief to £250,000; banks +3%	25%	25% (substantial shareholding exemption)	1 year	Unlimited (50% cap over £5m)

Bosnia and Herzegovina: no corporate chapter in the source guides; the 10% rate is carried from the previous edition and marked to be confirmed with a local adviser. Monaco: corporate tax applies only to businesses with more than 25% of turnover outside Monaco and to income from intellectual property. Kazakhstan: figures reflect the tax code applicable for 2026 as reported in the personal guide; corporate figures are 2025.

● Personal taxation and social security

The region contains most of the flat-tax systems in Europe: Bulgaria and Romania inside the EU, and here Georgia 20%, Armenia 20%, Moldova 12%, Kosovo 10%, North Macedonia 10%, Bosnia 10%, Montenegro 9% and 15% plus municipal surtax, Serbia 10% on salaries with annual additional tax, Ukraine 18% plus the 5% military levy, and Kazakhstan 10% rising to 15% under the 2026 code. Guernsey and Jersey apply 20% with tax caps, and the Isle of Man 21% with a cap of £220,000. Monaco has no personal income tax for residents other than French nationals. At the other end, Norway reaches approximately 39.7% on personal income plus a wealth tax, Switzerland between 22% and 45% depending on canton, and the United Kingdom 45% (48% in Scotland).

Personal taxation and social security: Other European and Central Asian jurisdictions

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Albania	23%	13% to ALL 2,040,000, 23% above (employment)	15%	Employer 16.7%, employee 11.2%, ceiling ALL 176,416 per month	Permanent residence, family or vital interests in Albania
Armenia	20%	Flat 20%; dividends 5%; 10% for listed high-technology roles	Ordinary rate; share sales largely exempt	Funded pension contributions; no employer social charge stated in the source	183 days or centre of vital interests
Azerbaijan	14 / 25%	Oil, gas and public sectors: 14% to AZN 2,500 a month, 25% above; private sector: 0% to AZN 8,000 a month, 14% above (to 2026)	14% on non-entrepreneurial gains	Oil, gas and public sector: employer 22%, employee 3%; private sector 10–15% formula	183 days in a calendar year
Bosnia and Herzegovina	10%	Flat 10% in the Federation on each category of income	Not separately stated	Federation: employee 31% (pension 17%, health 12.5%, unemployment 1.5%), employer 5%	Domicile, residence or centre of interests; 183 days
Georgia	20%	Flat 20%	Ordinary rate	No social insurance tax; funded pension contributions to be confirmed locally	183 days in any 12 months ending in the tax year

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Gibraltar	28% (max 25% effective)	Gross-income-based system: bands 16–28%, effective rate never above 25%; allowance-based system up to 39%	No capital gains tax	Social insurance contributions; no income-based summary in source	183 days in the year or over 300 days in three years
Guernsey	20%	Flat 20%; tax caps of £160,000 (non-Guernsey income) or £320,000 (worldwide) for 2026	No capital gains tax	Employer 7.1%, employee 7.5% (2026) up to £16,380 per month	91 days, or 35 days plus 365 days over four years
Isle of Man	21%	10% on first £6,500 above allowance, 21% above; tax cap £220,000 (year to 5 April 2026)	No capital gains tax	Employee NIC 11% to £53,664 then 1%; employer NIC 12.8% above £168 per week	Six months, or average 90 days over four years
Jersey	20%	Flat 20% or marginal-rate basis if lower	No capital gains tax	Employer 6.5% (+2.5% above SEL), employee 6%; SEL £5,800 per month	Six months, or available accommodation with one overnight stay
Kazakhstan	15%	10% up to 8,500 MCI, 15% above (2026 code); dividends 5% then 15%	Ordinary rates; nonresidents 15%	Employer social tax 6% (2026) plus social and medical insurance; employee mandatory pension contributions 10%	183 days or centre of vital interests
Kosovo	10%	0% to €3,000, 8% to €5,400, 10% above	Ordinary rates	Pension 5% employer and 5% employee	Principal residence or 183 days in 12 months
Liechtenstein	22.4%	National rate up to 8% plus communal surcharge 150–180%: maximum 22.4% (2024)	Private movable gains exempt; wealth-based deemed income	Old-age 12.08% (employer 7.38%, employee 4.70%) plus 1% unemployment shared and pension plan	Residence or domicile
Moldova	12%	Flat 12%; farms 7%	12% on 50% of the gain	Employer 24%; employee medical insurance 9%	Domicile or 183 days
Monaco	0%	No personal income tax (French nationals taxed under the 1963 France–Monaco treaty)	None	Employee c. 10–14%, employer c. 28–40% (2024 rates)	Residence card and habitual residence
Montenegro	15%	9% and 15% bands plus municipal surtax 10–15% of the tax	15%	Employee pension 10% plus unemployment 0.5%; employer 0.5%	Domicile, centre of interests or 183 days
North Macedonia	10%	Flat 10% (15% games of chance)	10%	Employee 28% (pension 18.8%, health 7.5%, unemployment 1.2%, other 0.5%); employer nil	Permanent or temporary residence (183 days)

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Norway	c. 39.7%	22% ordinary income plus step tax up to 17.7% on personal income (2025); wealth tax 1.0–1.1%	37.84% effective on shares (22% × 1.72 factor)	Employee 7.7%, employer 14.1% (plus 5% surcharge on high salaries in 2024)	183 days in 12 months or 270 days in 36 months
Serbia	10 / 15 / 20%	Salary 10%, investment 15%, royalties and services 20%; additional annual tax at 10% and 15% above thresholds	15%	Employer 15.15%, employee 19.9% (pension 14%, health 5.15%, unemployment 0.75%)	Domicile, centre of interests or 183 days
Switzerland	c. 22–45%	Federal maximum 11.5% plus cantonal and municipal maxima of c. 8–34%; wealth tax in all cantons	Private gains on movable assets exempt; real estate taxed cantonally	AHV/IV 10.6% shared equally, unemployment 2.2% to CHF 148,200 shared, plus occupational pension	Intention to stay (30 days with work, 90 days without)
Ukraine	18% + 5%	Flat 18% plus 5% military levy on personal income; dividends 5% (resident payers) or 9%	18% plus 5% military levy	Employer unified social tax 22%, capped at UAH 160,000 per month; no employee contribution	Domicile, centre of vital interests or 183 days
United Kingdom	45% (48% Scotland)	45% above £125,140 (2025/26); dividends 10.75% / 35.75% / 39.35% from 6 April 2026	18% / 24% (2025/26); non-doms replaced by 4-year FIG regime from April 2025	Employee NIC 8% to £967 per week then 2%; employer 15% above £96 per week (2025/26)	Statutory residence test

Gibraltar: two systems; under the gross-income-based system the effective rate never exceeds 25%. Liechtenstein: national rate plus communal surcharge, maximum 22.4% in 2024. Norway: 22% on ordinary income plus step tax of up to 17.7% (2025); the effective rate on dividends and share gains is 37.84% after the 1.72 adjustment factor. United Kingdom: 2025/26 income tax; dividend rates rise to 10.75%, 35.75% and 39.35% from 6 April 2026 and savings and property income rates by 2 points from 6 April 2027 (announced).

CAUTION: TRAILING RESIDENCE

Norway continues to treat an emigrant who was resident for more than ten years as resident for three years after departure, and for as long as a home is kept in Norway or presence exceeds 61 days a year; Sweden continues to treat an individual with essential ties as resident for as long as those ties exist, with the burden of proof on the individual for the first five years after departure (chapter 08); the United Kingdom's statutory residence test counts ties and days over the preceding tax years, and the temporary non-residence rules bring gains on assets held at departure back into charge if an individual resident in four of the previous seven tax years returns within five years. A move from any of these countries to Cyprus should be timed with the local adviser's confirmation of the departure date and the treatment of shares held at that date.

● VAT and the Cyprus treaty position

The United Kingdom, Norway, Switzerland and Liechtenstein, Ukraine, Moldova and the Western Balkan states operate VAT systems modelled on the EU directive with standard rates from 8.1% (Switzerland and Liechtenstein) to 25% (Norway). Jersey levies a 5% GST; Guernsey and Gibraltar have no VAT; Monaco is within the French VAT territory through its customs union and applies the French VAT framework, including the 20% standard rate and the French reduced rates and thresholds. Registration thresholds range from

NOK 50,000 in Norway to £300,000 in Jersey; the United Kingdom and the Isle of Man threshold is £90,000. Non-EU businesses selling into the EU, and EU businesses selling into the United Kingdom or Switzerland, generally have no threshold and must register from the first taxable supply or appoint a fiscal representative.

Consumption taxes and Cyprus treaty position: Other European and Central Asian jurisdictions

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Albania	20%	6%	ALL 10 million	No	—	No treaty with Cyprus: domestic 8% dividend WHT applies
Armenia	20%	None	AMD 115 million	Yes	0/5% / 0/5% / 5%	Treaty: nil on dividends where the investment is at least €150,000, 5% otherwise
Azerbaijan	18%	None	AZN 200,000	No	—	No bilateral treaty with Cyprus; whether the former USSR treaty is recognised by both administrations must be confirmed before any relief is assumed. Until then the domestic 5% dividend and 10% interest WHT should be assumed
Bosnia and Herzegovina	17%	None	BAM 100,000 (c. €50,000)	Yes	10% / 10% / 10%	Yugoslavia treaty applies: 10% on all three income types
Georgia	18%	None	GEL 100,000	Yes	Nil / Nil / Nil	Treaty gives nil WHT on dividends, interest and royalties
Gibraltar	No VAT	—	—	No	—	No treaty; Gibraltar levies no WHT
Guernsey	No VAT/ GST	—	—	Yes	Nil / Nil / Nil	Treaty in force; no WHT either way
Isle of Man	20%	5%	£90,000	No	—	No treaty; no Manx WHT
Jersey	5% GST	None	£300,000	Yes	Nil / Nil / Nil	Treaty in force; no WHT either way
Kazakhstan	16%	5%	10,000 MCI (c. US\$85,000)	Yes	5/15% / 0/10% / 10%	5% on dividends for 10% corporate holdings; 15% otherwise
Kosovo	18%	8%	€30,000	No	—	No treaty; Kosovo levies no dividend WHT
Liechtenstein	8.1% (Swiss system)	2.6%, 3.8%	CHF 100,000	No	—	No treaty; Liechtenstein levies no WHT
Moldova	20%	8%	MDL 1.5 million	Yes	5/10% / 5% / 5%	5% dividends for 25% corporate holdings; treaty interest 5% is below the 12% domestic rate
Monaco	20% (French system)	5.5%, 10%	French thresholds apply	No	—	No treaty; no Monegasque WHT
Montenegro	21%	7%, 15%	€30,000	Yes	10% / 10% / 10%	Yugoslavia treaty applies: 10% on all three income types
North Macedonia	18%	5%, 10%	MKD 2 million	No	—	No treaty; domestic 10% WHT applies

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Norway	25%	12%, 15%	NOK 50,000 (c. €4,250)	Yes	0/15% / Nil / Nil	Nil on dividends for 10% corporate holdings; 15% otherwise
Serbia	20%	10%	RSD 8 million	Yes	10% / 10% / 10%	Yugoslavia treaty applies: 10% on all three income types
Switzerland	8.1%	2.6%, 3.8%	CHF 100,000 (c. €106,000)	Yes	0/15% / Nil / Nil	Nil on dividends for 10% corporate holdings held one year; 15% otherwise; 35% domestic WHT refundable
Ukraine	20%	7%, 14%	UAH 1 million	Yes	5/10% / 0/5% / 5/10%	5% on dividends for 20% corporate holdings with €100,000 invested; 10% otherwise; interest 5%
United Kingdom	20%	5%	£90,000	Yes	0/15% / Nil / Nil	No UK WHT on dividends under domestic law; 15% only for property-investment vehicles

Treaty column: maximum withholding tax the partner may charge on payments to Cyprus (dividends / interest / royalties). The Yugoslavia treaty continues to apply with Serbia, Montenegro and Bosnia and Herzegovina. The United Kingdom treaty ceiling of 15% applies only to distributions by property investment vehicles; ordinary dividends are nil. No bilateral treaty exists with Albania, Azerbaijan, Gibraltar, the Isle of Man, Kosovo, Liechtenstein, Monaco or North Macedonia, but Gibraltar, the Isle of Man, Liechtenstein, Monaco and Kosovo levy no withholding tax on dividends in any case. Azerbaijan: whether the former USSR treaty is recognised by both the Cyprus and the Azerbaijani administrations must be confirmed before any relief is assumed; the domestic rates are shown.

WORKED EXAMPLE: SWISS SUBSIDIARY AND THE 35% WITHHOLDING

A Cyprus company holds 100% of a Swiss operating company for more than one year and receives a CHF 1,000,000 dividend. Swiss domestic law requires withholding of 35% (CHF 350,000) unless the notification procedure is approved in advance. Under the Cyprus treaty the rate is nil for a company holding at least 10% for one year, so the CHF 350,000 is either not withheld (notification procedure) or refunded on claim, provided that the Cyprus company is the beneficial owner and has substance. If the shareholder were a Cyprus resident individual, the treaty rate would be 15% (CHF 150,000) and the balance of CHF 200,000 would be refundable; in Cyprus a non-domiciled individual pays only the 2.65% general healthcare contribution on the dividend and no credit is needed, whereas a domiciled individual is liable to 5% special defence contribution (CHF 50,000) against which the Swiss withholding is credited up to the amount of the contribution, so no additional Cyprus contribution is payable and the Swiss tax above 5% is a final cost. Assumptions: 2026 profits; the Cyprus recipient is the beneficial owner with a Cyprus residence certificate; the general healthcare contribution is capped at €180,000 of income; the CHF figures are not converted.

05

Middle East and Africa

The Gulf states combine low or nil corporate tax, no personal income tax on salaries and a 5% to 15% VAT, but the domestic minimum top-up tax now applies to large groups and the corporate tax base in Kuwait, Qatar and Saudi Arabia is the foreign-owned share of profits. Israel and the African economies in the table apply full corporate and personal systems with rates between 22.5% and 45%.

9%

UAE corporate tax above AED 375,000; 0% for qualifying free zone income

0%

Personal income tax in Bahrain, Kuwait, Oman (to 2027), Qatar, Saudi Arabia and the UAE

45%

Top personal rate in South Africa; Israel 47% plus 3% surtax

10

Cyprus treaty partners in the region, including the new Oman treaty from 2026

● Corporate taxation

The United Arab Emirates introduced a 9% federal corporate tax for financial years beginning on or after 1 June 2023, with a 0% band up to AED 375,000 of taxable income and a 0% rate for the qualifying income of a qualifying free zone person; a domestic minimum top-up tax of 15% applies to multinational groups with revenue of €750 million or more from 2025. Bahrain has no general corporate tax but has enacted a 15% domestic minimum top-up tax for in-scope groups. Kuwait (15%) and Qatar (10%) tax the share of profits attributable to foreign shareholders; Saudi Arabia taxes the non-Saudi and non-GCC share at 20% and applies zakat to the Saudi and GCC share. Oman applies 15% with a 3% rate for small and medium enterprises. Egypt (22.5%), Morocco (20% and 35% from 2026), Jordan (20% plus a national contribution of 1% to 7% and higher sector rates), Kenya (30%), Nigeria (30% for companies other than qualifying small companies, which pay 0%, plus a separate 4% development levy under the Nigeria Tax Act 2025 in force from 2026) and South Africa (27%) apply full systems. Mauritius applies 15% with a 3% rate on export of goods and partial exemptions for global business companies.

Corporate taxation: Middle East and Africa

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Bahrain	0%	15% domestic minimum top-up tax for large multinational groups from 2025; oil and gas 46%	0%	0%	—	—

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Egypt	22.5%	Petroleum and Suez Canal special rates	22.5% (+10% remittance)	22.5% (10% listed securities)	0 (long-term projects)	5 years
Israel	23%	Reduced rates under the Encouragement of Capital Investments Law (6–16%)	23%	23%	0	Unlimited
Jordan	20%	Banks 35%; finance, telecoms, insurance, mining, electricity 24%; plus national contribution 1–7%	Same as CIT	20–35%	0	5 years
Kenya	30%	Branch also 30% plus 15% remittance tax; turnover tax for small businesses	30% (+15%)	15%	0	Unlimited
Kuwait	15%	Applies to foreign-owned corporate income; 15% domestic minimum top-up tax for large groups	15%	15%	0	3 years
Mauritius	15%	3% on export of goods; partial exemptions for global business companies; corporate climate responsibility levy	15%	0%	0	5 years
Morocco	20 / 35%	2026 target: 20% below MAD 100 million profit, 35% above; banks and insurers 40%	Same (+12.5–15% remittance)	Same as CIT	0	4 years
Nigeria	0 / 30%	Nigeria Tax Act 2025 (effective 2026): qualifying small companies 0% under the new small-company definition and exclusions; all other companies 30%; a 4% development levy on assessable profits is charged separately, so 30% is not the total burden	30%	Within company income tax (30%)	0	Unlimited
Oman	15%	3% for small and medium enterprises; petroleum 55%; domestic minimum top-up tax	15%	15%	0	5 years
Qatar	10%	Applies to foreign-owned share of profits; petroleum minimum 35%; QFC entities 10%	10%	0 / 10%	0	5 years
Saudi Arabia	20%	Income tax on non-Saudi/GCC ownership; zakat 2.5% on Saudi/GCC share; hydrocarbons 50–85%	20%	20%	0	Unlimited (25% cap)
South Africa	27%	Small business corporations progressive; 15% global minimum tax for large multinationals	27%	21.6% effective (80% inclusion)	0	Unlimited (80% cap)
United Arab Emirates	9%	0% on taxable income up to AED 375,000 and on qualifying free zone income; 15% domestic minimum top-up tax for large groups from 2025	9%	9%	0	Unlimited (75% cap)

Corporate figures are 2025 except where the row states a 2026 rule. Nigeria: the Nigeria Tax Act 2025 applies from 2026; a qualifying small company (new turnover and fixed-asset limits, with exclusions for certain professional and other activities) pays 0%, every other company 30%; chargeable gains of companies are taxed within company income tax rather than under a separate 10% capital gains tax; the 4% development levy on assessable profits is charged in addition, so the 30% rate alone is not the total

business burden. Morocco: the 2023 Finance Law phased rates over four years towards the unified 20% and 35% rates applicable from 2026; the 2025 transitional rates ranged from 17.5% to 34%; the dividend withholding rate is also within a phased reduction, and the rate for the payment date and the profit vintage must be confirmed before the 12.5% shown is used. Oman: the statutory 10% withholding on dividends and interest is reported to be suspended; confirm the operative position for the payment date. Israel: reduced rates of 6% to 16% under the Encouragement of Capital Investments Law depend on location and activity.

PLANNING POINT: THE UAE AND CYPRUS TOGETHER

A Cyprus company that holds a UAE subsidiary receives its dividends free of UAE withholding tax (there is none) and free of Cyprus tax under the participation exemption. The exemption is denied only if more than 50% of the paying company's activities produce investment income and its foreign tax burden is significantly lower than 7.5%; a UAE trading subsidiary taxed at 9%, or a free zone entity with active qualifying income, normally passes the test, but a UAE company that merely holds portfolio investments at 0% may not, in which case the dividend is subject to special defence contribution at 5% in the hands of a Cyprus company from 2026. The UAE domestic definition of tax residence for individuals (183 days, or 90 days with a residence and a home or employment) also matters for a Cyprus non-domiciled individual who spends time in both countries.

● Personal taxation and social security

Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates levy no personal income tax on employment income; Oman has enacted a 5% tax on income above OMR 42,000 from 1 January 2028, which must not be applied to 2026 or 2027 income. Social security in the Gulf applies to nationals (and in Bahrain a 3% employer contribution for expatriates), so the payroll cost of a foreign employee is limited to end-of-service and health insurance obligations. Israel applies a progressive scale to 47% with a 3% surtax above ILS 721,560 and, from 2025, a further 2% surtax on capital income above the same threshold; national insurance is payable by employer and employee. Egypt's scale reaches 27.5% with the lower bands withdrawn as income rises; Morocco reaches 37%; Kenya 35%; South Africa 45%; Jordan 30% above JOD 1 million; Nigeria 25%; Mauritius 20% with a possible Fair Share Contribution on high incomes.

Personal taxation and social security: Middle East and Africa

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Bahrain	0%	No personal income tax	None	Nationals: employer 17% rising 1% a year to 20% in 2028, employee 7%; expatriates: employer 3%, employee 1%	No domestic definition; certificates issued for treaty purposes
Egypt	27.5%	Progressive to 27.5% on income above EGP 1.2 million (bands lose lower rates as income rises)	Listed securities 10%; property 2.5% of proceeds	Employer 11%, employee 18.75% as listed in the source (the shares are usually stated the other way round: confirm); base salary up to EGP 14,500 per month	Permanent home or 183 days
Israel	50%	47% above ILS 560,280 plus 3% surtax above ILS 721,560 (2025); additional 2% surtax on capital income from 2025	25% (30% material shareholders) plus surtax	National insurance and health: employee 3.5% – 12.7%, employer 3.55% – 7.6% by income band, ceiling ILS 50,695 per month	Centre of living test; 183-day and 425-day presumptions

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Jordan	30%	25% from JOD 20,000; 30% above JOD 1 million; plus 1% national contribution over JOD 200,000	Share sales: 0.08% on exchange; other special rules	Employer 14.25%, employee 7.5% on basic salary	183 days in a calendar year
Kenya	35%	35% above KES 9.6 million; 32.5% from KES 6 million	15%	NSSF 6% each; housing levy and health contributions additional	183 days, or 122-day average over three years
Kuwait	0%	No personal income tax	None	Kuwaiti nationals only: employer 11.5%, employee 10.5% (ceilings)	Kuwaiti nationals treated as resident; certificates available
Mauritius	20%	0% to MUR 500,000, 10% to MUR 1 million, 20% above (year to 30 June 2026); Fair Share Contribution may apply	Not taxable	Employer 6% plus 2.5% solidarity fund plus 1.5% levy; employee 3% plus 1% (caps)	183 days, or 270 days over three years
Morocco	37%	37% above MAD 180,000	Real estate 20% (minimum 3% of price); securities 10–20%	Employer c. 21% (family allowance 6.4%, social 8.6% capped, training 1.6%); employee 4.48% capped	Home in Morocco, centre of interests or 183 days
Nigeria	25%	25% above NGN 50 million; bands from 15% above NGN 800,000 (Nigeria Tax Act 2025)	Ordinary progressive rates	Pension 10% employer, 8% employee	Domicile or permanent place available; 183 days
Oman	0% (5% from 2028)	No personal income tax until 5% on income above OMR 42,000 from 1 January 2028	None until 2028	Omani nationals only	No personal tax residence rules in force until 2028
Qatar	0%	No personal income tax; sole traders taxed on business income at 10%	Exempt unless business assets	Qatari nationals: employer 14%, employee 7% up to QAR 100,000	Permanent home, 183 days or centre of interests
Saudi Arabia	0%	No personal income tax	None	Saudi nationals: employer 12.25%, employee 10.25% (new hires; 11.75% / 9.75% for earlier hires); expatriates 2% employer	Permanent home plus 30 days, or 183 days
South Africa	45%	45% above ZAR 1,817,000 (2025/26)	18% effective (40% inclusion at 45%)	UIF 1% each to ZAR 17,712 per month; skills levy 1% employer	Ordinarily resident or physical presence test
United Arab Emirates	0%	No personal income tax; natural persons in business over AED 1 million turnover are within corporate tax	None	UAE nationals only (Abu Dhabi: employer 15%, employee 5%)	183 days; or 90 days with UAE residence and home or employment

Personal figures are 2025/26 scales. Egypt: the lowest bands are withdrawn for total income above EGP 600,000, EGP 700,000, EGP 800,000 and EGP 1.2 million, so that the 27.5% rate applies to the whole income above EGP 1.2 million. Kenya: the housing levy and social health insurance contributions are additional to the NSSF figures shown. Saudi Arabia: rates for new hires under the 2024 social insurance law; employees hired earlier contribute at 9% to 9.75% with matching employer rates.

CAUTION

Israel has no double tax treaty with Cyprus. Dividends from an Israeli company to a Cyprus shareholder bear Israeli withholding at 25% (30% for a material shareholder holding 10% or more), interest and royalties 23%, and no treaty ceiling reduces them. The reverse flow is free of Cyprus withholding tax. An Israeli resident receiving dividends from a Cyprus company pays Israeli tax at 25% or 30% plus the surtaxes, and the Israeli centre-of-living test and presumptions (183 days in a year, or 425 days over three years) make a change of residence to Cyprus fact-sensitive.

● VAT and the Cyprus treaty position

The GCC VAT framework provides for a 5% standard rate; the United Arab Emirates and Oman apply 5%, Bahrain 10% and Saudi Arabia 15%, while Kuwait and Qatar have not yet implemented VAT. Registration thresholds are set in local currency at broadly equivalent levels (AED 375,000, SAR 375,000, OMR 38,500, BHD 37,500). Israel applies 18%, Egypt 14%, Jordan a 16% general sales tax, Morocco 20%, Kenya 16%, Mauritius 15%, South Africa 15% and Nigeria 7.5%. A Cyprus supplier of services to a Gulf customer normally makes a supply outside the scope of Cyprus VAT under the business-to-business place of supply rule and the customer accounts for local VAT under the reverse charge; see Guide 02, Cyprus and EU VAT Guide.

Consumption taxes and Cyprus treaty position: Middle East and Africa

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Bahrain	10%	None	BHD 37,500	Yes	Nil / Nil / Nil	Treaty in force; no WHT either way
Egypt	14%	5%	EGP 500,000	Yes	5/10% / 10% / 10%	5% on dividends for 20% corporate holdings held 365 days; totalization agreement with Cyprus
Israel	18%	None	NIS 119,000	No	—	No treaty with Cyprus: domestic 25%/30% dividend WHT applies to Cyprus shareholders
Jordan	16% sales tax	1–10%	Up to JOD 75,000	Yes	5/10% / 0/5% / 7%	5% on dividends for 10% corporate holdings; royalties 7%
Kenya	16%	None	KES 5 million	No	—	No treaty; domestic 15% dividend WHT applies
Kuwait	No VAT (5% expected)	—	—	Yes	Nil / Nil / 5%	Treaty in force; royalties 5%
Mauritius	15%	None	MUR 3 million	Yes	Nil / Nil / Nil	Treaty in force; no WHT either way

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Morocco	20%	10%	None	No	—	No treaty with Cyprus. The 12.5% dividend rate is a step in a phased reduction of the domestic rate: confirm the rate in force for the payment date and the profit vintage before use
Nigeria	7.5%	None	NGN 50 million	No	—	No treaty; domestic 10% WHT applies
Oman	5%	None	OMR 38,500	Yes	Nil / Nil / 8%	New treaty effective 1 January 2026: nil on dividends and interest, 8% on royalties. The statutory 10% withholding on dividends and interest is reported to be suspended: confirm the operative position and the treaty relief procedure for the payment date before use
Qatar	No VAT (5% expected)	—	—	Yes	Nil / Nil / 5%	Treaty in force: nil on dividends and interest, 5% royalties. Qatar levies no domestic withholding on ordinary dividends; the 5% non-resident withholding applies to interest, royalties, commissions and service fees, subject to the law and treaty relief
Saudi Arabia	15%	None	SAR 375,000	Yes	0/5% / Nil / 5/8%	Nil on dividends for 25% corporate holdings; 5% otherwise; royalties 5% equipment, 8% other
South Africa	15%	None	ZAR 1 million	Yes	5/10% / Nil / Nil	5% on dividends for 10% corporate holdings; 10% otherwise; nil on interest and royalties
United Arab Emirates	5%	None	AED 375,000	Yes	Nil / Nil / Nil	Treaty in force; no WHT either way

Treaty column: maximum withholding tax the partner may charge on payments to Cyprus (dividends / interest / royalties). The treaty with Oman is effective from 1 January 2026. Qatar: the treaty ceiling of nil on dividends coincides with the absence of any domestic Qatari withholding on ordinary dividends; the 5% domestic withholding applies to interest, royalties, commissions and service fees paid to non-residents, subject to treaty relief. Kuwait and Qatar VAT rates are those expected under the GCC framework and are not in force. Egypt: a social security totalization agreement with Cyprus is in force.

WORKED EXAMPLE: SAUDI EQUIPMENT LEASE THROUGH A CYPRUS COMPANY

A Cyprus company with no permanent establishment in Saudi Arabia receives a SAR 1,000,000 payment from a Saudi lessee for the use of industrial equipment. Saudi domestic withholding on royalties is 15%. The Cyprus treaty defines royalties to include payments for the use of industrial, commercial or scientific equipment, with a ceiling of 5% for equipment royalties (8% for other royalties), so SAR 50,000 is withheld if the treaty relief procedure is followed, or SAR 150,000 with a refund claim for SAR 100,000 otherwise. In Cyprus the income is ordinary trading income: the gross SAR 1,000,000 less the leasing costs (depreciation, finance and administration) is taxed at 15%, and the Saudi tax is credited against the Cyprus tax on the same income up to the amount of that tax. The Cyprus IP Box does not apply, because tangible equipment is not a qualifying intangible asset; the treaty meaning of royalties and the IP Box definition of a qualifying asset serve different purposes. If the same company instead licensed qualifying software or a patent to the Saudi customer, the treaty ceiling would be 8% and the IP Box could reduce the Cyprus effective rate on the qualifying profit to 3%, so that part of the Saudi credit would exceed the Cyprus tax and be lost; see Guide 03, Cyprus IP Box Guide. Assumptions: 2026 tax year; the Cyprus company is a resident company and beneficial owner holding a Cyprus residence certificate; SAR figures are not converted; the Saudi withholding base is the gross payment.

06

Americas

The Americas are dominated by two-level systems: federal corporate and personal taxes in the United States and Canada with state or provincial taxes on top, and in Latin America high statutory corporate rates (30% to 35% in Mexico, Colombia, Argentina and Brazil) combined with dividend taxes, turnover taxes and inflation-indexed bands.

21%

US federal corporate rate; state taxes add up to about 12%

34%

Brazil combined corporate income tax and social contribution

30%

US withholding on dividends, interest and royalties without a treaty

2

Cyprus treaty partners in the region: Canada and the United States

• Corporate taxation

The United States applies a flat 21% federal rate; most states add a deductible corporate income or franchise tax, giving combined rates of roughly 21% to 30%, and a 30% branch profits tax mirrors the dividend withholding. Canada's 15% federal rate combines with provincial rates to give approximately 23% to 31%, with a small business deduction and 50% inclusion of capital gains. Mexico applies 30% plus 10% employee profit sharing, Colombia 35% with sector surcharges, Argentina an indexed 25% to 35% scale, Brazil 34% in total, Uruguay 25% on a territorial basis and Chile a 27% First Category Tax integrated with the shareholder's tax.

Corporate taxation: Americas

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Argentina	25–35%	Progressive indexed bands: 25%, 30%, 35% (2025 thresholds ARS 101.7m / 1,016.8m)	25–35% (+7%)	25–35% (15% foreign residents)	0	5 years
Brazil	34% combined	15% IRPJ plus 10% surtax plus 9% CSLL	34%	15–25%	0	Unlimited (30% cap)
Canada	15% federal	Plus provincial 8–16%: combined c. 23–31%; small business deduction	15% (+25% branch tax)	7.5% federal (50% inclusion)	3 years	20 years

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Chile	27% (to be confirmed)	No corporate chapter in the source guide; 27% First Category Tax confirmed in the personal guide; SME regimes 25%	—	—	—	—
Colombia	35%	Financial institutions 40% to 2027; hydro 38%; oil and coal surtaxes	35% (+20%)	15%	0	12 years
Mexico	30%	Plus 10% employee profit sharing; border-zone incentives	30% (+10%)	30%	0	10 years
United States	21% federal	Plus state taxes (0–c. 12%); BEAT and corporate AMT for large groups	21% (+30% branch profits)	21%	0	Unlimited (80% cap)
Uruguay	25%	Territorial system; free zone exemptions	25% (+7%)	25%	0	5 years

Corporate figures are 2025. Chile: the source guides for this edition contain no corporate chapter; the 27% rate is confirmed in the personal chapter, and the withholding rates shown are those applied to individuals and non-residents in that chapter. Brazil: the 2025 corporate figures precede the consumption tax reform test period starting in 2026. Dividends paid, credited or remitted to non-residents from 1 January 2026 bear 10% withholding under Law 15,270/2025; profits earned up to 31 December 2025 are grandfathered where the distribution was approved by that date and is paid by 2028, and any relief available under the law for the recipient's circumstances should be checked. Resident individuals are subject to separate monthly and annual rules on dividends from 2026. Argentina: thresholds shown are the 2025 indexed amounts.

● Personal taxation and social security

The United States taxes citizens and residents on worldwide income at federal rates up to 37% (above US\$626,350 for a single filer in 2025) plus state and local income taxes and a 3.8% net investment income tax; long-term gains and qualified dividends are taxed at 0%, 15% or 20%. Canada's federal 33% combines with provincial rates to give 44.5% to 54.8%. Mexico, Argentina and Chile reach 35% to 40%, Colombia 39%, Uruguay 36% on labour income (12% on capital income) and Brazil 27.5%. Employer social security is heavy in Argentina, Brazil, Colombia and Mexico (20% to 40%) and moderate in the United States and Canada.

Personal taxation and social security: Americas

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Argentina	35%	35% above ARS 53.15 million (indexed 2025 scale)	15% on shares; listed shares exempt	Employee 17% (pension 11%, retiree fund 3%, health 3%), capped; employer 18–20.4% + 6% health	Citizens, permanent residents and 12-month temporary stays
Brazil	27.5%	27.5% above BRL 4,664.68 per month (2025 table); resident individuals' dividends follow separate monthly and annual rules from 2026	15% up to BRL 5 million, rising to 22.5%	Employee 7.5–14% (capped); employer c. 26.8%	Visa-based rules; 183 days for temporary visas

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Canada	33% federal	Combined top rates 44.5–54.8% by province (Ontario 53.53%)	50% inclusion: top c. 22–27%	CPP 5.95% each to CAD 71,300; employment insurance 1.64% employee to CAD 65,700, employer 1.4 times (2025)	Facts and circumstances; 183-day deemed residence
Chile	40%	Global complementary tax 0–40%	Real estate exempt up to UF 8,000; securities special rules	Employee c. 18.4% (pension 10%, health 7%, administrator fee); employer accident 0.9%–4.3% plus c. 2.5% rising under the 2025 pension reform	Domicile or presence over 183 days in 12 months
Colombia	39%	39% above 31,000 UVT	15% on assets held over two years	Employer health 8.5% and pension 12%; employee 4% + 4% (+1–2%)	More than 183 days in a 365-day period
Mexico	35%	35% above MXN 4,511,707 (2025)	Ordinary rates; 10% on listed shares	Employee c. 2.775%; employer up to c. 40% of integrated salary (capped at 25 × UMA)	Home in Mexico or centre of vital interests
United States	37% federal	37% above US\$626,350 (single, 2025) plus state and local taxes and 3.8% net investment income tax	Long-term 0 / 15 / 20% plus 3.8% NIIT	OASDI 6.2% each to US\$176,100; Medicare 1.45% each plus 0.9% employee above thresholds	Citizenship, green card or substantial presence test
Uruguay	36%	Labour income 10–36%; capital income 12%	12%	Employer 7.5% pension plus 5% health; employee 15% pension plus 3–8% health	183 days or centre of vital or economic interests

Personal figures are the 2025 scales. United States: the federal scale is shown; state top rates range from 0% to over 13%, and US citizens remain taxable wherever they live. Canada: combined top rates by province in 2025 range from 44.5% (Nunavut) to 54.8% (Newfoundland and Labrador); Ontario 53.53%. Chile: foreign nationals are taxed on Chilean-source income only for their first three years of residence.

CAUTION: US CITIZENS AND GREEN CARD HOLDERS

A US citizen or lawful permanent resident who becomes Cyprus resident remains subject to US federal income tax on worldwide income and to US reporting on foreign companies, accounts and trusts. The foreign earned income exclusion (US\$130,000 for 2025) and the foreign tax credit reduce but do not remove the US liability, and the Cyprus non-domicile exemptions on dividends and interest produce no Cyprus tax to credit. A Cyprus company is a controlled foreign corporation only if US shareholders together own more than 50% of the total voting power or value of its shares, counting direct, indirect and constructive ownership; a US shareholder for this purpose is a US person owning at least 10% of the vote or value. A Cyprus company with a minority US owner is therefore not automatically a CFC, but where the test is met each 10% US shareholder faces the separate shareholder-level inclusion rules (Subpart F income and GILTI or its successor) on its share of certain income, whether or not distributed, in addition to the reporting obligations. Expatriation from the US triggers an exit tax for covered expatriates. These matters require a US adviser before any change of residence or ownership.

● Consumption taxes and the Cyprus treaty position

The United States has no federal VAT; 45 states and many localities levy sales and use taxes at state rates of 2.9% to 7.25% (up to 13.5% combined) with economic nexus thresholds for remote sellers. Canada applies a 5% federal GST, harmonised as HST (13% to 15%) in five provinces, with Quebec's 9.975% QST and provincial sales taxes elsewhere. Brazil applies several federal, state and municipal consumption taxes that a 2026 to 2033 reform will replace with a dual VAT. Mexico, Colombia, Chile, Argentina and Uruguay apply conventional VAT systems, generally without a registration threshold.

Consumption taxes and Cyprus treaty position: Americas

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Argentina	21%	10.5%	None (companies)	No	—	No treaty; 7% dividend WHT applies
Brazil	ICMS 0–35%, IPI, ISS 0–5%, PIS/COFINS 3.65–9.25%	—	None	No	—	No treaty. 10% withholding on dividends paid, credited or remitted to non-residents from 1 January 2026 (Law 15,270/2025); profits earned to 31 December 2025 are grandfathered where the distribution was approved by that date and is paid by 2028; relief mechanisms should be checked
Canada	5% GST (HST 13–15%)	Provincial PST 6–9.975%	CAD 30,000	Yes	15% / 0/15% / 0/10%	Treaty 15% on dividends; nil on copyright royalties
Chile	19%	None	None	No	—	No treaty; 35% additional tax on dividends less CIT credit
Colombia	19%	5%	None (corporations)	No	—	No treaty; domestic 20% dividend WHT applies
Mexico	16%	8% (border)	None	No	—	No treaty; 10% dividend WHT applies
United States	No federal VAT	State sales taxes 2.9–7.25% plus local	State-specific	Yes	5/15% / 0/10% / Nil	5% on dividends for 10% voting control (with conditions); 15% otherwise
Uruguay	22%	10%	None	No	—	No treaty; 7% dividend WHT applies

Treaty column: maximum withholding tax the partner may charge on payments to Cyprus (dividends / interest / royalties). The United States treaty gives 5% on dividends only where the Cyprus company controls at least 10% of the voting power and satisfies additional conditions on the paying company's income; otherwise 15%. The Canada treaty gives nil on copyright royalties and 10% on other royalties. No treaty exists with the Latin American states in the table.

WORKED EXAMPLE: US SUBSIDIARY PAYING A CYPRUS PARENT

A Cyprus company owns 100% of a US corporation that earns US\$1,000,000 of taxable income in a state with a 6% corporate income tax. State tax of US\$60,000 is deductible federally, so federal tax is 21% of US\$940,000 (US\$197,400) and the combined burden is US\$257,400 (25.74%). A full distribution of the remaining US\$742,600 attracts 30% US withholding (US\$222,780) under domestic law, reduced to 5% (US\$37,130) under the treaty if the Cyprus parent controls at least 10% of the voting power and the treaty conditions on the paying company's income are satisfied, or 15% (US\$111,390) otherwise. In Cyprus the dividend is exempt from corporation tax and special defence contribution because the US company is an active trading company taxed well above 7.5%. The combined burden ranges from 29.45% to 36.88% of the original profit (48.02% with no treaty relief) depending on the treaty outcome, before any tax on distribution by the Cyprus company to its own shareholders. Assumptions: 2026 tax year; taxable income equals accounting profit; an illustrative 6% state rate; full distribution of 2026 profits; the Cyprus parent is a resident company and beneficial owner; US dollar figures are not converted.

07

Asia-Pacific

Asia-Pacific contains the two territorial hubs, Hong Kong and Singapore, with 16.5% and 17% headline rates reduced by tiered and partial exemptions and no tax on capital gains or dividends, alongside the large economies of China, India, Japan and Korea with 25% to 35% effective corporate rates and personal rates up to 45% and beyond.

8.25%

Hong Kong profits tax on the first HKD 2 million

17%

Singapore corporate rate before partial exemption

45%

Top personal rate in Australia, China, Japan and South Korea (before local taxes)

4

Cyprus treaty partners in the region: China, India, Singapore, Thailand

• Corporate taxation

Hong Kong taxes only profits arising in or derived from Hong Kong, at 8.25% on the first HKD 2 million and 16.5% thereafter for one elected entity per group, with no capital gains tax and no withholding on dividends or interest. Singapore applies 17% after exempting 75% of the first SGD 10,000 and 50% of the next SGD 190,000 of chargeable income, with a start-up exemption, no capital gains tax and no dividend withholding; both have introduced a 15% top-up tax for Pillar Two groups. China's 25% is reduced to 15% for high and new technology enterprises. India's 30% standard rate is 25% for companies with turnover below INR 4 billion and 22% under the optional concessional regime, in each case increased by surcharge and 4% cess; foreign companies and branches pay 35%. Japan's 23.2% national rate becomes approximately 31% with local taxes. South Korea applies 10% to 25% in bands from 2026 (9% to 24% in 2025) plus local income tax of 10% of the national tax. Australia applies 30% (25% for base-rate entities under AUD 50 million turnover) with dividend imputation, New Zealand 28% with imputation and no general capital gains tax, Malaysia 24% with SME rates, and Indonesia, Thailand, Taiwan and Vietnam 20% to 22%.

Corporate taxation: Asia-Pacific

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
Australia	30%	25% for base-rate entities with turnover under AUD 50 million; franking system	30%	30%	0	Indefinite

Country	Headline rate	Special rates, surcharges and system notes	Branch rate	Capital gains	Loss carry-back	Loss carry-forward
China	25%	15% high-technology enterprises; small low-profit enterprises reduced	25%	25% (10% foreign disposals)	0	5 years (10 HNTE)
Hong Kong	16.5%	Two-tier: 8.25% on first HKD 2 million; territorial basis	16.5%	0%	0	Unlimited
India	30% (22% optional)	25% for turnover under INR 4 billion; 22% concessional regime (25.17% with surcharge and cess); foreign companies 35%	35% + surcharge	12.5% long-term / 30%	0	8 years
Indonesia	22%	Listed companies with 40% float 19%; small enterprises 0.5% turnover tax	22% (+20% branch profits)	22% (0.1% listed)	0	5–10 years
Japan	23.2%	Effective c. 31% with local taxes (c. 32% from April 2026); defence surtax from 2026	23.2%	23.2%	1 year (suspended)	10 years (50% cap)
Malaysia	24%	SMEs 15% / 17% on first MYR 600,000 (not if 20%+ foreign owned); petroleum 38%	24%	10% (unlisted shares) / RPGT 30%	0	10 years
New Zealand	28%	Imputation system	28%	0% (no general CGT)	0	Unlimited (continuity)
Pakistan	29%	Banks 39%; small companies 20%; super tax up to 10%	29% (+15%)	Various	0	6 years
Singapore	17%	Partial exemption: 75% of first SGD 10,000 and 50% of next SGD 190,000; start-up exemption; 15% multinational top-up	17%	Not taxed	1 year (SGD 100,000)	Unlimited
South Korea	25% + 10% local	2026 schedule: 10% to KRW 200m, 20% to KRW 20bn, 22% to KRW 300bn, 25% above; local income tax adds 10% of the national tax (top combined 27.5%)	25% + local	25% + local	1 year (SMEs)	15 years (80% cap)
Taiwan	20%	5% surtax on undistributed earnings; AMT 12%	20%	20% (securities gains suspended, AMT)	0	10 years
Thailand	20%	SME progressive 0 / 15 / 20%; BOI incentives	20% (+10% remittance)	20%	0	5 years
Vietnam	20%	Incentive rates 10% / 15% / 17%; oil and gas 32–50%	20%	20% (0.1% securities)	0	5 years

Corporate figures are 2025 except South Korea, which shows the 2026 schedule. Japan withholding rates include the 2.1% reconstruction surtax, which does not apply where a treaty rate is claimed. Australia: unfranked dividends bear 30% withholding, franked dividends none; conduit foreign income is also exempt. New Zealand: 30% on dividends falls to 15% for fully imputed cash dividends and to nil for 10% voting interests. India: withholding on payments to foreign companies is increased by surcharge and cess. Pakistan: capital gains are taxed at rates varying by asset and holding period.

PLANNING POINT: NO TREATY DOES NOT ALWAYS MEAN WITHHOLDING

Cyprus has treaties in this region only with China, India, Singapore and Thailand. However, Hong Kong, Malaysia, Vietnam and (for corporate recipients) Singapore levy no withholding tax on dividends under domestic law, Australia exempts franked dividends and New Zealand exempts fully imputed dividends to 10% holders, so a Cyprus holding company can receive distributions from those jurisdictions without treaty protection. The absence of a treaty matters for interest and royalties (Hong Kong 4.95%, Malaysia 15% and 10%, Vietnam 5% and 10%, Japan 20.42%, Korea 20% plus local tax, Indonesia 20%) and for the taxation of capital gains and permanent establishments.

● Personal taxation and social security

Hong Kong's salaries tax is the lower of a progressive scale to 17% and a standard rate of 15% (16% above HKD 5 million); Singapore's scale reaches 24% above SGD 1 million; neither taxes capital gains or (in Singapore under the one-tier system) dividends. Australia reaches 45% above AUD 190,000 plus the 2% Medicare levy, New Zealand 39% above NZD 180,000, Japan 45% national plus the 2.1% surtax and 10% inhabitant tax (approximately 55.9%), South Korea 45% plus 10% local income tax (49.5%), China 45% above CNY 960,000, India 30% plus surcharge of up to 25% or 37% of the tax and 4% cess, Taiwan 40%, Thailand, Indonesia and Vietnam 35%, Malaysia 30% and Pakistan 45% on non-salary income (35% on salary). Compulsory retirement contributions are the main social charge: 12% superannuation in Australia (employer only), 17% and 20% CPF in Singapore for citizens and permanent residents only, 5% MPF each in Hong Kong capped at HKD 1,500 per month, and 12% EPF each in India, while China's employer contributions of roughly 27% to 30% are city-specific and capped.

Personal taxation and social security: Asia-Pacific

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Australia	45%	45% above AUD 190,000 plus 2% Medicare levy (2025/26)	Ordinary rates with 50% discount after 12 months	Superannuation guarantee 12% employer; no employee contribution	Resides test, domicile, 183 days; temporary resident exemption
China	45%	45% above CNY 960,000 comprehensive income	20% flat; listed A-shares exempt	Average employer 25%, employee 11%; rates vary by city; base capped at three times the local average salary	Domicile or 183 days; six-year rule for foreign income
Hong Kong	17% (15% standard)	Progressive 2–17% or standard 15% (16% above HKD 5 million), whichever is lower	None	MPF 5% each capped at HKD 1,500 per month	Territorial: residence largely irrelevant
India	30% + surcharge	30% above INR 2.4 million (concessional regime); surcharge up to 25–37% of tax plus 4% cess	Long-term 12.5%, short-term 20% on listed equity	EPF 12% each on basic wages	182 days, or 60 days plus 365 days over four years

Country	Top rate	Bands, surcharges and notes	Capital gains (individuals)	Social security (employer / employee)	Tax residence test
Indonesia	35%	35% above IDR 5 billion	Ordinary rates; 0.1% final on listed shares	BPJS: employer c. 10–12% (old age 3.7%, pension 2%, health 4%, accident and life), employee 4% (old age 2%, pension 1%, health 1%); caps	183 days in 12 months or intention to reside
Japan	45% + 10% local	45% national above JPY 40 million plus 2.1% surtax and 10% inhabitant tax: c. 55.945%	20.315% on shares	Health 9.91%, nursing 1.59%, pension 18.3%, shared equally, with ceilings	Domicile or one year of residence; permanent after five of ten years
Malaysia	30%	30% above MYR 2 million; nonresidents flat 30%	RPGT up to 30% on property; unlisted share gains 10%	EPF 12% employer (13% for wages up to MYR 5,000), 11% employee; SOCSO additional	182 days and linked-period tests
New Zealand	39%	39% above NZD 180,000	No general capital gains tax; bright-line property rules	No compulsory contributions; ACC levy 1.67% employee	Permanent place of abode or 183 days
Pakistan	45% (35% salary)	45% above PKR 5.6 million non-salary; salaried scale to 35%	Separate rates by asset and holding period	Employer 5–7% of salary/minimum wage; provincial	183 days in tax year (1 July – 30 June)
Singapore	24%	24% above SGD 1 million; 23% from SGD 500,000	Not taxed unless trading	CPF 17% employer, 20% employee (citizens and PRs only; caps)	183 days or residence in Singapore
South Korea	45% + 10% local	45% above KRW 1 billion plus 10% local income tax: 49.5%	Separate schedule; local surtax 10%	National pension 4.5% each (capped); health c. 3.5% each; employment insurance	Domicile or residence for 183 days
Taiwan	40%	40% above TWD 4.98 million; dividends optional 28% flat; AMT 20%	Securities gains suspended (0.3% transaction tax); property separate	Labour insurance employer 8.75% / employee 2.5% (to TWD 45,800); health 4.84% / 1.55%	Domicile or 183 days
Thailand	35%	35% above THB 5 million	Ordinary rates; SET-listed shares exempt	5% each, capped at THB 750 per month (THB 875 expected 2026)	180 days in a calendar year; remittance rules from 2024
Vietnam	35%	35% above VND 80 million per month (residents)	0.1% of proceeds on securities; 2% on property	Employer 17.5% social + 3% health + 1% unemployment; employee 8% + 1.5% + 1% (capped)	183 days or permanent residence / lease of 183 days

Personal figures are the scales for 2025 or the 2025/26 fiscal year. Hong Kong: rates for the year of assessment 2024/25 as reviewed. Malaysia: foreign-source income received by residents is conditionally exempt to 31 December 2036. Thailand: foreign income earned from 2024 is taxed when remitted. Japan: a non-permanent resident (fewer than five of the past ten years in Japan) is taxed on foreign income only if paid in or remitted to Japan; South Korea applies a similar rule for residents of five years or less.

CAUTION: REMITTANCE AND DEEMED-SOURCE RULES

Singapore, Hong Kong, Malaysia and Thailand tax on a territorial or remittance basis, which can make a Cyprus resident's income from those countries free of local tax while remaining taxable in Cyprus unless a Cyprus exemption applies. The reverse is also true: an individual who leaves Hong Kong or Singapore for Cyprus has no exit tax, but Australia deems a disposal of non-taxable-Australian-property assets on ceasing residence unless the individual elects to defer, and India requires a tax clearance before certain individuals leave the country. Japan, Korea and China apply their own departure and deemed-source rules to shares and other assets, which should be confirmed with a local adviser before the move.

● Consumption taxes and the Cyprus treaty position

Standard rates are low by European standards: 5% in Taiwan, 7% in Thailand (a decree reduction from the statutory 10%), 9% GST in Singapore, 10% in Japan, South Korea, Australia and Vietnam (8% temporarily on eligible supplies), 12% in Indonesia (11% effective on many supplies through a base adjustment), 13% in China with several reduced rates, 15% GST in New Zealand and 18% as the main GST rate in India, with 5%, 28% and 40% rates for other categories. Malaysia has a sales tax of 10% and a service tax of 8% (6% for some services) rather than a VAT, and Pakistan a federal sales tax on goods of 18% with provincial services taxes. Hong Kong levies no VAT or GST. Registration thresholds are high in Singapore (SGD 1 million) and Indonesia (IDR 4.8 billion) and low or absent in China, Vietnam, Taiwan and Korea; most countries require non-resident suppliers of digital services to register from the first sale or a low threshold.

Consumption taxes and Cyprus treaty position: Asia-Pacific

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
Australia	10% GST	None	AUD 75,000	No	—	No treaty; 30% WHT on unfranked dividends
China	13%	3%, 5%, 6%, 9%	Small-scale thresholds	Yes	10% / 10% / 10%	Treaty 10% equals the domestic rate
Hong Kong	No VAT/GST	—	—	No	—	No treaty; Hong Kong levies no dividend WHT
India	18% GST (main)	0.25%, 3%, 5%, 28%, 40%	INR 2–4 million	Yes	10% / 0/10% / 10%	10% on dividends, interest and royalties under treaty
Indonesia	12% (11% effective on many supplies)	None	IDR 4.8 billion	No	—	No treaty; 20% WHT applies
Japan	10% consumption tax	8%	JPY 10 million	No	—	No treaty; 20.42% dividend WHT applies
Malaysia	10% sales / 8% service tax	6% (services), 5% (goods)	MYR 500,000	No	—	No treaty; Malaysia levies no dividend WHT

Country	VAT / GST standard	Reduced rates	Registration threshold	Cyprus treaty	Treaty WHT ceiling D / I / R	Notes for a Cyprus-connected investor
New Zealand	15% GST	None	NZD 60,000	No	—	No treaty; 30% WHT on unimputed dividends
Pakistan	18% goods (services 13–16% provincial)	1–16%	PKR 8 million (manufacturers)	No	—	No treaty; 15% dividend WHT applies
Singapore	9% GST	None	SGD 1 million	Yes	Nil / 0/7/10% / 10%	Treaty in force; Singapore levies no dividend WHT; interest 7% banks / 10%
South Korea	10%	None	None (simplified below KRW 104m)	No	—	No treaty; 20% (22% with local tax) dividend WHT applies
Taiwan	5%	GBRT 0.1–25%	None	No	—	No treaty; 21% dividend WHT applies
Thailand	7% (statutory 10%, reduced by decree)	None	THB 1.8 million	Yes	10% / 0/10/15% / 5/10/15%	Treaty 10% on dividends equals the domestic rate
Vietnam	10% (8% temporary on eligible goods)	5%	None	No	—	No treaty; Vietnam levies no WHT on dividends to corporate shareholders

Treaty column: maximum withholding tax the partner may charge on payments to Cyprus (dividends / interest / royalties). India: 10% also applies to technical, managerial and consulting fees. Singapore: interest 7% if paid to a bank or financial institution, 10% otherwise. Thailand: interest 10% for financial institutions and credit sales, 15% otherwise; royalties 5% for copyrights, 10% for equipment, 15% for patents and trademarks.

WORKED EXAMPLE: SINGAPORE TRADING SUBSIDIARY

A Cyprus holding company owns a Singapore trading subsidiary with SGD 500,000 of normal chargeable income for the year of assessment 2026 (basis period 2025). Under the ordinary partial exemption, before any corporate income tax rebate announced for the year, Singapore exempts SGD 7,500 (75% of the first SGD 10,000) and SGD 95,000 (50% of the next SGD 190,000), so SGD 397,500 is taxed at 17%: SGD 67,575, an effective rate of 13.5%. On SGD 200,000 of chargeable income the same formula gives $17\% \times (\text{SGD } 2,500 + \text{SGD } 95,000) = \text{SGD } 16,575$, or 8.29%. The after-tax profit of SGD 432,425 is distributed as a one-tier dividend with no Singapore withholding, and in Cyprus it is exempt under the participation exemption because the subsidiary is an active trading company taxed at more than 7.5%. For a group within Pillar Two, the Singapore multinational enterprise top-up tax is not the difference between 15% and 13.5%: it is determined under the jurisdictional GloBE calculation on adjusted income and covered taxes, after the substance-based income exclusion, the de minimis rule and any safe harbour, and may be nil or more than the nominal difference. The partial exemption is therefore valuable to privately held groups below the €750 million threshold, while its effect for in-scope groups depends on that calculation. Assumptions: year of assessment 2026; chargeable income equals the stated amounts; temporary rebates excluded; SGD figures are not converted.

08

Sweden profile: company, owner and departure

Sweden is profiled in depth because it combines a moderate corporate rate with a two-stage taxation of owners of closely held companies, a 30% dividend withholding that the Cyprus treaty reduces, and departure rules that keep share gains within Swedish taxing rights for up to ten years. The parameters below are those enacted for income year 2026, which is reported in the return filed in 2027.

20.6%

Corporate income tax on all profits

30%

Capital income tax; 20% on qualified-share dividends within the allowance

31.42%

Employer social contributions on salary

5 / 15%

Treaty withholding on Swedish dividends to Cyprus (company / individual)

● Company taxation

The corporate income tax rate is 20.6% on all profits, including capital gains, with no local corporate tax. Gains and dividends on business-related shares (unlisted shares, and listed shares held for at least one year with 10% of the votes) are exempt. Losses may be carried forward without time limit, subject to restrictions on a change of ownership; there is no carry-back. Interest deductions are limited to 30% of tax EBITDA with a SEK 5 million safe harbour, and a group contribution system allows profits and losses to be pooled between Swedish companies that are more than 90% owned.

Sweden: corporate and withholding taxes

Item	Rate	Notes
Corporate income tax	20.6%	Applies to distributed and undistributed profits; branch rate the same
Capital gains of companies	20.6% / 0%	Business-related shares exempt; other assets taxed as income
Dividends to non-residents	30%	No withholding on dividends to a foreign company comparable to a Swedish limited company that is not a tax-haven company; for listed payers the recipient must hold 10% of votes for more than one year. Treaty with Cyprus: 5% for companies holding at least 25%, 15% otherwise

Item	Rate	Notes
Interest to non-residents	0%	No withholding tax; treaty ceiling 10% is therefore not reached
Royalties to non-residents	0% withholding	Taxed by assessment as Swedish-source business income at 20.6% unless a treaty reduces it; the Cyprus treaty rate is nil; EU Interest and Royalties Directive implemented
Loss relief	Unlimited	Carry-forward without time limit; no carry-back; ownership change restrictions
VAT	25%	Reduced rates 12% (restaurant and catering services, hotel accommodation) and 6% (foodstuffs from 1 April 2026 to 31 December 2027 under a temporary measure, books, newspapers, passenger transport, cultural events); registration threshold SEK 120,000 for established businesses, none for non-established

Food VAT: the rate on foodstuffs is reduced from 12% to 6% for the period 1 April 2026 to 31 December 2027 (temporary measure; check for extension before relying on it after that date). Restaurant and catering services remain at 12%. Alcoholic beverages, tobacco and other excluded items are not covered by the food rate and need their own classification. Sweden rate summaries elsewhere in this series reflect the same position.

● Employment and personal taxation

An individual present in Sweden for six months or more with regular overnight stays is resident and taxable on worldwide income. Employment income bears municipal income tax at 29% to 36% depending on the municipality plus national income tax of 20% on taxable earned income above SEK 643,000 for income year 2026. The threshold is applied to taxable income after the basic allowance and other deductions, not to gross salary: the gross-salary breakpoints at which national tax starts are higher than the taxable-income threshold, differ for employees aged 66 or over (who receive an enhanced basic allowance), and should be read from the Tax Agency's annual table for the relevant age group rather than derived from the threshold. Because the basic allowance and the earned-income credit vary with income and age, there is no single accurate net salary percentage for every employee. Non-residents working in Sweden are taxed at a flat final withholding tax on employment income without deductions (SINK), on application: 22.5% for 2026, reduced by enacted legislation to 20% from 1 January 2027; income from employment on board ships (seafaring income) keeps its separate SINK rate of 15%; non-resident entertainers and artists pay 15% under the separate artists' tax; and directors' fees paid to non-resident board members are taxed under SINK at the same 22.5% (20% from 2027).

The expert tax regime exempts 25% of salary and benefits, together with moving and travel costs and school fees, from income tax and social contributions for up to seven years, for individuals who did not reside in Sweden in the five preceding years and who either satisfy the remuneration test or qualify as experts, researchers or key personnel on their qualifications. For employment beginning in 2026 the remuneration test requires monthly remuneration of at least SEK 88,801; the qualifications-based route has no salary requirement but is assessed on the individual's expertise. The relief requires an application to the Taxation of Research Workers Board within the statutory period after the start of the work, and the other eligibility conditions (non-Swedish citizenship, intended stay of not more than seven years, Swedish or foreign employer with a Swedish permanent establishment) continue to apply. Employers pay social contributions of 31.42% on salaries and benefits (10.21% for employees born between 1938 and 1958 and nil for those born earlier); employees pay a 7% pension contribution that is fully credited against income tax. Self-employed individuals pay 28.97% on active business income.

Sweden: personal taxes and contributions

Item	Rate	Notes
Municipal income tax	29 – 36%	Flat rate set by each municipality; church fee additional for members
National income tax	20%	On taxable earned income above SEK 643,000 (income year 2026); gross-salary breakpoints are higher and depend on age and the basic allowance
Non-resident employment income (SINK)	22.5%	Final withholding, no deductions, on application; 20% from 1 January 2027 (enacted); seafaring income 15%; artists and entertainers 15% under the separate artists' tax
Capital income (dividends, interest, listed shares)	30%	Flat rate; 25% on gains on unlisted shares; 22% effective on a private home
Qualified shares in closely held companies	20% / earned income	See the 3:12 framework below
Employer social contributions	31.42%	10.21% for employees born 1938–1958; 0% born 1937 or earlier
Self-employed contributions	28.97%	24.26% on passive business income
Expert tax regime	25% exempt	Seven years; remuneration test of at least SEK 88,801 per month for work beginning in 2026, or the separate qualifications-based route; application to the Taxation of Research Workers Board required

• Qualified shares and the 3:12 framework

A company in which four or fewer shareholders control more than 50% of the votes is a closely held company, and shares held by an owner who is active in the company to a significant extent are qualified shares. Dividends and capital gains on qualified shares are split between capital income taxed at 20% (two thirds of the 30% rate) up to an annual dividend allowance, and earned income taxed at the progressive employment rates above the allowance up to a statutory ceiling, with any excess above the ceiling taxed as capital income. The rules were reformed with effect from income year 2026 (reported in the return filed in 2027) into a single framework that replaces the former simplification and main rules. Under the enacted rules the annual allowance is the sum of a basic amount, a wage-based amount and an interest-based amount on the cost of the shares, plus any allowance saved from earlier years; the former requirement to hold at least 4% of the capital and the minimum own-salary test that conditioned the wage-based amount have both been removed.

Sweden: 3:12 allowance parameters for income year 2026 (return filed in 2027)

Component	2026 amount	Rule
Basic amount	SEK 322,400	Four income base amounts; one basic amount per owner, shared between all companies in which the owner holds qualified shares

Component	2026 amount	Rule
Wage-based amount	50% of wages above SEK 644,800	50% of the company's (and subsidiaries') eligible cash wages in the preceding year after deducting SEK 644,800 (eight income base amounts, apportioned to the owner's share); limited to 50 times the cash remuneration of the owner or a related person in that year
Interest-based amount	Borrowing rate + 9 points	On the part of the acquisition cost of the shares above SEK 100,000 (in total across the owner's companies)
Saved allowance	Carried forward	Unused allowance is carried forward without the former annual uplift
Tax within the allowance	20%	Two thirds of the dividend or gain is taxed as capital income at 30%
Tax above the allowance	Earned income	Progressive municipal and national rates up to a statutory ceiling; the excess above the ceiling is capital income at 30%

WORKED EXAMPLE: 3:12 ALLOWANCE FOR 2026

Assumptions: an owner held 100% of one Swedish company at the start of 2026 and holds no other qualified shares; the company paid eligible cash wages of SEK 2,000,000 in 2025, including SEK 500,000 to the owner; the acquisition cost of the shares is SEK 150,000; no allowance is saved from earlier years; the interest-based rate for 2026 is taken as 11.55% (government borrowing rate plus nine points; the exact rate for the year is published by the Tax Agency). The basic amount is SEK 322,400; the wage-based amount is $50\% \times (2,000,000 - 644,800) = \text{SEK } 677,600$, which is within the cap of $50 \times 500,000 = \text{SEK } 25,000,000$; and the interest-based amount is $(150,000 - 100,000) \times 11.55\% = \text{SEK } 5,775$, giving a total allowance of SEK 1,005,775. A dividend of SEK 300,000 falls within the allowance and is taxed at 20%: SEK 60,000, with SEK 705,775 saved for later years. A dividend of SEK 1,500,000 would bear 20% on SEK 1,005,775 (SEK 201,155) and leave SEK 494,225 above the allowance to be taxed as earned income at the owner's marginal rate of up to about 52%. Before the example is applied to a real owner, the ownership position at the start of the year, the prior-year payroll, holdings in other companies, the cost basis and any saved allowance must be checked; the figures are reported on form K10 with the 2027 return.

• Departure from Sweden and dividends to a Cyprus resident

An individual who leaves Sweden remains unlimitedly tax liable if essential ties to Sweden continue: a home available for year-round use, family remaining in Sweden, significant business involvement or real property. Two rules must be kept apart. The substantive essential-ties assessment has no time limit: an individual who keeps essential ties remains resident for as long as they exist, whether that is two years or twelve years after departure. The five-year rule is a rule of evidence only: for Swedish citizens and individuals who were resident for at least ten years, the burden of proving that essential ties have ceased rests on the individual for the first five years after departure, after which the Tax Agency must show that ties remain. Passing the five-year point therefore does not by itself end Swedish residence. Separately, a former resident with only

limited tax liability is taxed on capital gains on Swedish shares, and on foreign shares acquired while resident, if they were resident at any time during the ten calendar years before the sale; treaties often shorten this period, and the Cyprus treaty must be checked for the particular disposal.

The order of analysis for a Swedish shareholder who has moved to Cyprus is therefore: first, whether the individual is unlimitedly or only limitedly tax liable in Sweden under domestic law; second, if Sweden still claims residence, where the treaty tie-breaker places the individual; and only then which Swedish rule applies to the dividend or gain. Where the individual is treaty resident in Cyprus, dividends from a Swedish company bear Swedish withholding tax at 30% under domestic law, reduced to 15% under the Cyprus treaty for an individual beneficial owner (5% for a Cyprus company holding at least 25%), and the ten-year gains rule is applied only within the limits the treaty allows. Relief at source or a refund requires residence certification and documentation; Cyprus non-domicile status does not by itself reduce Swedish withholding. In Cyprus the dividend is exempt from income tax, exempt from special defence contribution for a non-domiciled individual and subject to the 2.65% general healthcare contribution on total income up to €180,000. A domiciled individual is liable to 5% special defence contribution on dividends out of 2026 profits, but the Swedish withholding on the same dividend is credited against it up to the amount of the contribution, so with 15% treaty withholding no additional contribution is payable.

Ordinary Swedish dividend of €150,000 (2026): Swedish resident versus Cyprus resident

Item	Swedish resident	Cyprus non-dom (treaty relief)	Cyprus domiciled (treaty relief)	Cyprus non-dom (no relief yet)
Gross dividend	€150,000	€150,000	€150,000	€150,000
Swedish tax: 30% capital income / 15% treaty withholding / 30% domestic withholding	€45,000	€22,500	€22,500	€45,000
Cyprus special defence contribution 5% before credit	—	€0	€7,500	€0
Credit for Swedish withholding (capped at the contribution)	—	—	(€7,500)	—
Cyprus general healthcare contribution 2.65% (cap €180,000 of income)	—	€3,975	€3,975	€3,975
Total tax	€45,000	€26,475	€26,475	€48,975 (€22,500 refundable)
Effective rate	30.0%	17.65%	17.65%	32.65%

Assumptions: income year 2026; a resident individual shareholder; dividend paid out of 2026 profits (a dividend out of profits earned up to 31 December 2025 received by a domiciled individual is subject to 17% special defence contribution, against which the same credit applies); ordinary (non-qualified) shares taxed at the 30% capital income rate for a Swedish resident; the Cyprus individual has no other income using the GHS cap; figures in euro, so no exchange rate is applied (a SEK dividend is converted at the rate on the payment date). The credit for the Swedish withholding against special defence contribution requires evidence of the foreign tax paid; the excess of the Swedish tax over the contribution is not refundable in Cyprus. At €500,000 the treaty withholding is €75,000, the GHS contribution €4,770 (2.65% of the €180,000 cap) and the domiciled individual's €25,000 contribution is again fully covered by credit; at €30,000 the figures are €4,500, €795 and €1,500. Company tax, departure effects, costs and the 3:12 rules for qualified shares are excluded.

PLANNING POINT

A Swedish owner planning to relocate should sequence the steps: settle the essential ties position (sale or letting of the home, family, board positions) so that Swedish tax liability becomes limited, and analyse the treaty tie-breaker for any period in which Sweden may still claim residence; obtain a Cyprus tax residence certificate for the first year; apply for treaty relief at source with the Swedish payer; and model the ten-year rule for any planned sale of the company within the limits the treaty allows. Whether the shares are qualified shares under the 3:12 rules is a separate question that determines how Sweden taxes a dividend or gain while the owner remains taxable there; it is not a precondition for becoming treaty resident in Cyprus. The Cyprus 60-day residence rule can be met in the year of departure if the conditions in Guide 04, Individuals, Self-Employed and Immigration, are satisfied, but the treaty tie-breaker will decide residence if Sweden still regards the individual as resident.

09

Cross-border dividend scenarios

Two flows recur in Cyprus-connected structures: a Cyprus company paying a dividend to an individual shareholder living abroad, and a foreign subsidiary paying a dividend to a Cyprus holding company. This chapter computes both for the countries most often encountered, on stated assumptions, so that the reader can see where the tax arises and how much of it a treaty removes.

0%

Cyprus withholding on dividends to non-residents (treaty or not)

2.65%

Only charge on a foreign dividend received by a Cyprus non-domiciled individual (GHS)

5%

SDC on dividends of a Cyprus domiciled individual from 2026

€180,000

Income cap for the GHS contribution: maximum €4,770 a year

● Scenario A: Cyprus company paying €150,000 to an individual shareholder abroad

Cyprus levies no withholding tax on dividends paid to a non-resident individual, so the whole burden arises in the shareholder's country of residence. Assumptions: tax year 2026 (2026 rates where adopted, otherwise the latest adopted scale as the note says); a resident individual who is a substantial shareholder and whose other income already uses the lower bands and allowances, so the marginal rate applies to the whole dividend; a dividend out of 2026 profits; compulsory social or health contributions on the dividend included where they apply; local levies only where the row says so; local-currency thresholds converted at the rate stated in the note. The last two rows show the same shareholder resident in Cyprus.

Tax on a €150,000 dividend from a Cyprus company by country of residence of the individual (2026)

Residence of shareholder	Basis of the charge	Tax	Net received	Effective rate
Ireland	Income tax 40% plus USC 11% on non-employment income over €100,000 plus PRSI 4.2% (55.2%)	€82,800	€67,200	55.20%
United Kingdom	Additional-rate dividend rate 39.35% (2026/27); £500 dividend allowance ignored	€59,025	€90,975	39.35%
Israel	Material shareholder rate 30% plus 3% surtax plus 2% capital income surtax above ILS 721,560	€52,500	€97,500	35.00%

Residence of shareholder	Basis of the charge	Tax	Net received	Effective rate
France	Flat tax (PFU) 31.4% for 2026: 12.8% income tax plus 18.6% social charges; the exceptional contribution on high incomes is modelled separately (see note)	€47,100	€102,900	31.40%
Sweden	Capital income 30% (ordinary shares; qualified shares under the 3:12 rules differ)	€45,000	€105,000	30.00%
Netherlands	Box 2 substantial interest: 24.5% on the first €67,804 and 31% on the excess (2025)	€42,093	€107,907	28.06%
Germany	Flat tax 25% plus 5.5% solidarity surcharge (26.375%); no church tax	€39,563	€110,437	26.38%
Italy	Substitute tax 26%	€39,000	€111,000	26.00%
Poland	Flat 19% on dividends	€28,500	€121,500	19.00%
Romania	16% dividend tax (2026) plus 10% health contribution on the ceiling of 24 minimum wages (RON 97,200, approximately €19,134 at RON 5.08 per euro)	€25,913	€124,087	17.28%
Ukraine	9% on dividends from non-resident companies plus 5% military levy	€21,000	€129,000	14.00%
Greece	5% on dividends	€7,500	€142,500	5.00%
United Arab Emirates	No personal income tax	€0	€150,000	0.00%
Same shareholder resident in Cyprus				
Cyprus, non-domiciled	No income tax, no SDC; GHS 2.65% on income up to €180,000	€3,975	€146,025	2.65%
Cyprus, domiciled	SDC 5% on dividends from 2026 profits plus GHS 2.65%	€11,475	€138,525	7.65%

Computed on the rates in chapters 03 to 05. Ireland: USC at 11% assumes other income above €100,000; at lower total income the rate is 8% and 55.2% falls to 52.2%. United Kingdom: an individual with total income below £125,140 pays 35.75% on the part within the higher-rate band. France: 31.4% is the 2026 standard treatment of ordinary dividends (product-specific exceptions and the election for the progressive scale are preserved); the exceptional contribution on high incomes (3% on household reference income between €250,000 and €500,000 for a single taxpayer, doubled for couples, 4% above) depends on total household income and is not added to every euro of the dividend; if the whole dividend fell in the 3% band it would add up to €4,500. Netherlands: the €67,804 band (2025) is doubled for fiscal partners. Israel: the 2% capital income surtax was introduced from 1 January 2025. Romania: 16% applies to dividends distributed from 1 January 2026 (transitional rules for earlier interim dividends); the health contribution is 10% of a base capped at 24 gross minimum wages of RON 4,050 (assumed unchanged for 2026; confirm), converted at an assumed RON 5.08 per euro: €1,913. Cyprus domiciled: dividends paid out of profits earned up to 31 December 2025 remain subject to 17% SDC if received by 31 December 2031. Rows are ranked by the tax computed on these assumptions.

PLANNING POINT

The comparison is between the residence-country tax of the shareholder and the Cyprus charge, because Cyprus itself withholds nothing. A shareholder in Ireland, the United Kingdom, Israel or France who relocates to Cyprus and qualifies as non-domiciled reduces the charge on a €150,000 dividend from €47,100 – €82,800 to €3,975, but the departure state's exit rules, the treaty tie-breaker and the 60-day or 183-day Cyprus residence conditions must all be satisfied first. Greece and the UAE are already below the Cyprus domiciled rate; Ukraine, Romania (now 16% plus the health contribution) and Poland sit between the Cyprus domiciled rate and the flat-tax states.

● Scenario B: foreign subsidiary paying €1,000,000 to a Cyprus holding company

The table shows the source-country withholding on a €1,000,000 dividend from a wholly owned trading subsidiary to its Cyprus parent under domestic law, under the Cyprus treaty and under the EU directive or a domestic exemption. Assumptions: 2026 rates; a resident Cyprus company and beneficial owner holding 100% for more than two years; a dividend out of 2026 profits; gross euro amounts, no exchange rate. In Cyprus the dividend is exempt from corporation tax and special defence contribution provided that the paying company is not predominantly an investment company taxed below 7.5%, so the source withholding is a final cost.

Withholding tax on a €1,000,000 dividend to a Cyprus parent holding 100% for more than two years

Subsidiary in	Domestic WHT	Domestic cost	Treaty ceiling	Treaty cost	EU directive or domestic exemption
Germany	26.375%	€263,750	5%	€50,000	Nil under the EU directive (10% for 12 months) if the anti-treaty-shopping rules are satisfied
Poland	19%	€190,000	0% (10% for two years)	€0	Nil under the EU directive; documentation and beneficial ownership required
Sweden	30%	€300,000	5% (25% holding)	€50,000	Nil under domestic law for a comparable foreign company that is not a tax-haven company
Switzerland	35%	€350,000	0% (10% held one year)	€0	Notification procedure on approval; otherwise refund claim
United Kingdom	0%	€0	0%	€0	No UK withholding on dividends under domestic law
United States	30%	€300,000	5% (10% voting, conditions) / 15%	€50,000 / €150,000	Treaty only; Form W-8BEN-E and treaty conditions on the payer's income
India	20% plus surcharge and cess	€212,160 – €218,400	10%	€100,000	Treaty only; tax residence certificate and beneficial ownership
China	10%	€100,000	10%	€100,000	Treaty equals domestic; deferral if reinvested in China
Ukraine	15%	€150,000	5% (20% holding and €100,000 invested)	€50,000	Treaty only
Kazakhstan	15%	€150,000	5% (10% holding)	€50,000	Treaty only
South Africa	20%	€200,000	5% (10% holding)	€50,000	Treaty only; declaration and undertaking to the payer
Canada	25%	€250,000	15%	€150,000	Treaty only
Israel	25% (30% material)	€250,000 – €300,000	No treaty	€250,000 – €300,000	None; reduced rates only for approved enterprises

Subsidiary in	Domestic WHT	Domestic cost	Treaty ceiling	Treaty cost	EU directive or domestic exemption
United Arab Emirates	0%	€0	0%	€0	No UAE withholding tax

India: 20% plus a 2% or 5% surcharge (payments over INR 10 million or INR 100 million) and 4% cess: 21.2% to 21.84% for a foreign company. United States: 30% applies to a corporate recipient; a Cyprus individual shareholder would face 15% under the treaty. Sweden: the 5% treaty rate requires a 25% holding; the domestic exemption is usually better. Cyprus treatment assumes the participation exemption; where the payer is an investment company taxed below 7.5%, the dividend is instead subject to 5% SDC in the Cyprus company from 2026, with credit for the foreign withholding.

● Scenario C: the full chain from foreign profit to a Cyprus individual

Combining the two flows gives the total burden on €1,000,000 of subsidiary profit distributed through a Cyprus holding company to a Cyprus resident individual. The holding stage adds no tax; the individual stage adds 2.65% GHS for a non-domiciled shareholder (capped at €4,770) or 5% SDC plus GHS for a domiciled shareholder.

Total burden on €1,000,000 of subsidiary profit distributed to a Cyprus non-domiciled individual

Subsidiary in	Corporate tax	Withholding (best case)	Received by Cyprus company	GHS on distribution to individual	Total burden
Germany (29.825%)	€298,250	€0	€701,750	€4,770	30.30%
United Kingdom (25%)	€250,000	€0	€750,000	€4,770	25.48%
United States (25.74% incl. 6% state)	€257,400	€37,130 (5%)	€705,470	€4,770	29.93%
Switzerland (Zug, c. 11.9%)	€119,000	€0	€881,000	€4,770	12.38%
United Arab Emirates (9%, no free zone)	€90,000	€0	€910,000	€4,770	9.48%
India (25.17% concessional regime)	€251,700	€74,830 (10%)	€673,470	€4,770	33.13%
Cyprus operating company (15%)	€150,000	€0	€850,000	€4,770	15.48%

Assumptions: 2026 rates; taxable profit equals accounting profit; full distribution of after-tax 2026 profit; only the local levies named in the first column are included; Cyprus participation exemption available; a resident non-domiciled individual with no other income (GHS capped at €4,770); a domiciled individual would add 5% SDC less credit for the foreign withholding; euro figures, no exchange rate. Switzerland: 11.9% is illustrative for a low-tax canton; the UAE 0% band is ignored; India: 22% plus 10% surcharge and 4% cess. Pillar Two is excluded: for an in-scope group, any Swiss or UAE top-up follows the jurisdictional GloBE calculation (adjusted income, covered taxes, substance-based income exclusion, de minimis rule, safe harbours), not the rate difference to 15%.

CAUTION

These are arithmetic illustrations on stated rates, not a universal tax bill. Salary in one country does not necessarily consume a separate capital income band, an annual contribution already paid elsewhere must not be charged twice, exchange rates and timing of payment change the result, and anti-abuse rules (beneficial ownership, principal purpose test, controlled foreign company rules, source-country substance expectations) can deny a treaty or directive rate. Each scenario should be re-run on the client's own figures before a distribution is declared.

10

Effective corporate rates and special bases

A headline rate is only comparable with another headline rate when both are applied to the same base in the same way. Trade taxes, regional production taxes, distribution taxes, tiered rates, partial exemptions, refund systems and minimum taxes all change the arithmetic. This chapter states the main systems on a common basis and shows the effective rate on a representative profit.

29.8%

Germany: 15.825% corporate tax plus average 14% trade tax

22/78

Estonia: tax on a net distribution is 22/78 of the amount paid

5%

Malta: 35% tax less a 6/7ths shareholder refund

15%

Pillar Two floor for groups with €750 million revenue

• Why the headline rate is insufficient

Systems in which the headline rate must be adjusted before comparison

System	How the charge is actually computed	Effect on the comparison
Germany: trade tax	15% corporate tax plus 5.5% solidarity surcharge (15.825%) plus municipal trade tax at a federal base rate of 3.5% multiplied by the municipal multiplier (400% gives 14%; large cities up to about 17%)	Combined 29.8% on average, from about 23% to 33% depending on the municipality; trade tax is not creditable for companies
Italy: IRAP	24% IRES on taxable profit plus 3.9% IRAP on net production value, a base that adds back most labour and interest costs	IRAP raises the burden by more than 3.9% of profit for labour-intensive businesses; a combined figure of about 28% on profit is a rough guide only
Estonia and Latvia: distribution tax	No tax on retained profits; 22% (Estonia) or 20% (Latvia) on the gross amount distributed, applied to the net payment grossed up: 22/78 or 20/80 of the net dividend	Timing is controlled by the shareholder; a retained profit bears 0% indefinitely, a full distribution bears 22% or 20% of the gross profit
Georgia: distribution tax	15% on distributed profits and deemed distributions; banks and financial institutions 20% on profit	Same timing effect as Estonia

System	How the charge is actually computed	Effect on the comparison
United States: state tax	21% federal plus state corporate income tax (0% to about 12%), deductible against federal tax	Combined rate = state rate + 21% × (1 – state rate): 25.74% with a 6% state; 21% in Texas, Nevada or Wyoming
Switzerland: cantonal tax	8.5% federal on after-tax profit (7.8% effective) plus cantonal and communal taxes; patent box and R&D super-deduction available	11% to 21% depending on canton and commune; the location decision is a tax decision
United Arab Emirates: 0% band and free zones	0% on taxable income up to AED 375,000, 9% above; 0% on qualifying income of a qualifying free zone person; small business relief on election for revenue up to AED 3 million	Effective rate below 9% for small profits; free zone 0% depends on qualifying activities and substance
Hong Kong: two-tier rates	8.25% on the first HKD 2 million of assessable profits, 16.5% on the balance; one entity per group of connected entities	13.2% on HKD 5 million; territorial basis means offshore profits may be outside the charge altogether
Singapore: partial exemption	17% after exempting 75% of the first SGD 10,000 and 50% of the next SGD 190,000; start-up exemption for the first three years	13.5% on SGD 500,000 (SGD 67,575); 8.29% on SGD 200,000 (SGD 16,575), before any temporary rebate for the year of assessment
Ireland: two rates and top-up	12.5% on trading income, 25% on passive and certain other income; 15% qualified domestic top-up tax for Pillar Two groups	A holding company's rental or interest income bears 25%; large groups bear 15%
Malta: full imputation and refunds	35% company tax; on a distribution the shareholder may claim a refund of 6/7ths of the tax paid (5/7ths for passive interest and royalties, 2/3rds where double tax relief is claimed)	Effective 5% after refund on trading profits, but the refund is a conditional second step paid to the shareholder, not a company rate
Cyprus: IP Box and notional interest	15% on profit; 80% deduction on qualifying IP profit under the modified nexus fraction; notional interest deduction on new equity capped at 80% of taxable profit	3% on qualifying IP profit; as low as 3% on profit financed by new equity; distribution taxes additional for domiciled individuals
Pillar Two	For groups with consolidated revenue of €750 million in two of the previous four years: a top-up tax where the jurisdictional GloBE effective rate (covered taxes divided by GloBE income, which is accounting profit adjusted under the model rules) is below 15%, collected through domestic top-up taxes, the income inclusion rule and the undertaxed profits rule	A rate or incentive below 15% reduces covered taxes, but the top-up (if any) follows the complete jurisdictional calculation after the substance-based income exclusion, the de minimis rule and safe harbours; it is neither nil by assumption nor 15% of accounting profit; irrelevant for privately held groups below the threshold

● Effective rate on a representative profit

The table applies each system to a representative profit, stated in local currency where the tiered rates are set in that currency, with the assumptions given in the note. The figures are the corporate stage only: the shareholder's tax on distribution is added in chapter 09.

Effective corporate rate on a representative taxable profit

Jurisdiction	Profit	Computation	Tax	Effective rate
Cyprus	€500,000	15% flat	€75,000	15.0%
Cyprus (qualifying IP profit)	€500,000	80% deduction, 15% on €100,000	€15,000	3.0%
Ireland (trading)	€500,000	12.5% flat	€62,500	12.5%
Sweden	€500,000	20.6% flat	€103,000	20.6%
Netherlands	€500,000	19% on €200,000 + 25.8% on €300,000	€115,400	23.1%
France (SME)	€500,000	15% on €42,500 + 25% on €457,500	€120,750	24.2%
Portugal (mainland, 2026)	€500,000	19% + assumed 1.5% municipal surcharge; state surcharge starts at €1.5 million	€102,500	20.5%
Portugal (qualifying SME, 2026)	€500,000	15% on €50,000 + 19% on €450,000 + 1.5% municipal surcharge on €500,000	€100,500	20.1%
Italy	€500,000	24% IRES + 3.9% IRAP on assumed production value of €550,000	€141,450	28.3%
Germany	€500,000	15.825% + trade tax 14% (multiplier 400%)	€149,125	29.8%
Estonia (full distribution)	€500,000	22% of gross profit distributed (net dividend €390,000 × 22/78)	€110,000	22.0%
Estonia (retained)	€500,000	No distribution	€0	0.0%
Malta (after 6/7 refund)	€500,000	35% = €175,000 less refund €150,000 to the shareholder	€25,000	5.0%
United Kingdom	£500,000	25% main rate (profits over £250,000)	£125,000	25.0%
United Kingdom (small)	£150,000	25% less marginal relief $3/200 \times (£250,000 - £150,000)$	£36,000	24.0%
United States	US\$500,000	6% state (deductible) + 21% federal on the balance	US\$128,700	25.7%
Switzerland	CHF 500,000	Combined effective rate by canton	CHF 55,000 – 105,000	11 – 21%
United Arab Emirates	AED 2,000,000	0% on AED 375,000 + 9% on AED 1,625,000	AED 146,250	7.3%
Hong Kong	HKD 5,000,000	8.25% on HKD 2 million + 16.5% on HKD 3 million	HKD 660,000	13.2%
Singapore	SGD 500,000	17% on SGD 397,500 after SGD 102,500 exempt (partial exemption, before rebates)	SGD 67,575	13.5%
Singapore (smaller profit)	SGD 200,000	17% on SGD 97,500 after SGD 102,500 exempt	SGD 16,575	8.3%
South Korea (2026)	KRW 5 billion	10% on KRW 200 million + 20% on KRW 4.8 billion = KRW 980 million, plus local income tax of 10% of the national tax (KRW 98 million)	KRW 1,078 million	21.6%

Assumptions: tax year 2026 rates (year of assessment 2026 for Singapore); a resident company; taxable profit equals accounting profit; local levies only where the computation says so (Portuguese municipal surcharge, Italian IRAP, German trade tax, US state tax, Korean local income tax); no incentives other than those stated; Pillar Two not applicable; no Cyprus notional interest deduction; each profit is stated in its own currency and no exchange rate is applied. The United Kingdom marginal relief formula is 3/200 of the difference between £250,000 and the profit for a company with no associated companies. The Italian production value is illustrative.

The US state rate is illustrative; several states levy none. Portugal: the 1.5% municipal surcharge is the maximum and varies by municipality; the qualifying SME row requires the small or medium-sized enterprise conditions to be met. South Korea: the precise effective rate is 21.56%.

WORKED EXAMPLE: SAME PROFIT, THREE SYSTEMS, DISTRIBUTED TO A CYPRUS NON-DOMICILED OWNER

Assumptions: tax year 2026; a trading profit of €200,000, equal to taxable profit, is earned in a Swedish company, a Cyprus company and an Estonian company, each wholly owned by a Cyprus resident non-domiciled individual with no other income, and fully distributed out of 2026 profits; the individual is the beneficial owner with a Cyprus residence certificate; euro figures, no exchange rate. Sweden: corporation tax €41,200 (20.6%), dividend €158,800, Swedish withholding 15% under the treaty €23,820, Cyprus GHS 2.65% on €158,800 €4,208, total €69,228 (34.6%). Cyprus: corporation tax €30,000 (15%), dividend €170,000, no withholding, GHS €4,505, total €34,505 (17.3%); if the profit were qualifying IP profit, corporation tax €6,000, dividend €194,000, GHS €4,770 (cap), total €10,770 (5.4%). Estonia: distribution tax 22% of €200,000 €44,000, dividend €156,000, no withholding, GHS €4,134, total €48,134 (24.1%). Company-level differences are amplified by the withholding tax on the second stage, which is why the treaty rate matters as much as the corporate rate.

● **Turnover, minimum and withdrawal-based taxes**

Some charges cannot be ranked as percentages of profit at all. Romania's micro-enterprise regime charges 1% of revenue instead of 16% of profit for companies within the €100,000 revenue ceiling that meet all the conditions (2026); Hungary's local business tax of up to 2% is levied on a value-added style base; Argentina's provincial turnover taxes (1% to 8%) and Brazil's PIS and COFINS are cumulative sales-based charges; Pakistan's super tax and India's minimum alternate tax and surcharges are computed on separate bases; Liechtenstein charges a minimum CHF 1,800; and Ukraine's Diia City regime applies a 9% tax to specified withdrawn capital rather than to annual profit. Kuwait assesses foreign contractors on deemed profit margins of up to 100% of certain payments. When such a jurisdiction is in the comparison, the correct approach is to compute the actual charge on the client's projected figures and express it as a percentage of the same accounting profit used for the other jurisdictions.

PLANNING POINT

For a simple company with no adjustments, a full distribution and a flat shareholder tax, the combined burden is the corporate rate plus the shareholder rate applied to the after-tax profit: 20% corporate tax followed by a 10% dividend tax is 28% of pre-tax profit, not 30%. Caps, credits, retained earnings and special regimes require an amount-based calculation instead of this shorthand, and the Cyprus GHS cap of €180,000 of income means that for large distributions the Cyprus second stage tends towards zero for a non-domiciled owner.

11

Using the comparison in a client file

A rate table answers the first question in a cross-border file, not the last. This chapter sets out the working sequence ATZ FinHub applies when a client compares jurisdictions, the points at which a local adviser must be engaged, and the Cyprus treaty network on which most of the comparisons in this guide depend.

• Working sequence

- 01 Commercial objective.** Record what the client wants to do (trade, hold, license, invest, employ, relocate) and where the people, customers and assets will actually be. Substance follows the facts, not the table.
- 02 Residence and permanent establishment.** Establish the tax residence of each company (place of incorporation and effective management) and of each individual (chapters 03 to 07, residence column), and whether activity in another country creates a permanent establishment. Apply the treaty tie-breaker where two countries claim residence.
- 03 Classify the income.** Trading profit, passive income, capital gain, employment income and a dividend are taxed under different columns and often at different rates within the same country.
- 04 Compute the corporate stage.** Apply the corporate rate to a reconciled local tax base (chapter 10), including local taxes, surcharges and any turnover-based or minimum tax, and test Pillar Two scope.
- 05 Compute the distribution stage.** Identify the domestic withholding rate, then the treaty ceiling (table below) or EU directive rate, the conditions attached to it and the relief procedure (at source or by refund).
- 06 Compute the residence stage.** Apply the shareholder's residence-country tax on the receipt (chapter 09), the credit or exemption for the source tax, and any social or health contributions.
- 07 Add one-off costs.** Exit taxes, deemed disposals, transfer taxes, capital duties, stamp duties, immigration and implementation costs and professional fees.
- 08 Document.** Record the currency, conversion date, source and version of every rate, the assumptions in each computation and the date on which the local adviser confirmed the position.

• Checklist before relying on a rate

- ✓ The rate is the one in force on the transaction or payment date, not the date of this guide.
- ✓ The taxpayer category (resident company, branch, individual, non-resident) matches the column used.

- ✓ Local, municipal, cantonal, state or regional taxes have been added where the table shows a national rate.
- ✓ The treaty is in force, the recipient is the beneficial owner, the holding percentage and holding period are met, and the principal purpose test is not engaged.
- ✓ The EU directive conditions are met and the anti-abuse rule has been considered where the directive gives a better rate than the treaty.
- ✓ The relief procedure (residence certificate, forms, deadlines, refund period) has been identified and its timing built into the cash flow.
- ✓ The Cyprus participation exemption conditions (activity and 7.5% effective tax tests) have been checked for each paying company.
- ✓ Social security coverage for any employee or director has been determined under EU Regulation 883/2004 or the relevant totalization agreement.
- ✓ Reporting obligations (DAC6, country-by-country, controlled foreign company, transfer pricing documentation) have been listed.
- ✓ The comparison has been re-run when the client changes activity, ownership or residence, or when a jurisdiction announces a reform.

• Exit taxes and departure rules

Where the selected country applies an exit tax to companies or individuals, the analysis must be completed with a local adviser before any step is taken, because the charge crystallises on the change of residence or transfer and cannot usually be undone. Cyprus itself applies an exit tax to companies that transfer assets or residence out of Cyprus under the anti-tax-avoidance rules, but none to individuals.

Countries in this guide with exit or trailing rules relevant to a move to Cyprus

Country	Rule	Action
Australia	Deemed disposal of non-Australian-property assets on ceasing residence; election to defer available	Model the deemed gain; consider the election
Canada	Departure tax: deemed disposition of most property (other than Canadian real property, business property, certain pension rights and unexercised options) at fair market value on the date residence ends	Value the assets; consider deferral and security
Denmark	Deemed disposal of shares on departure with deferral on application	Apply for deferral; monitor later sales
France	Exit tax on unrealised gains where the individual owns more than 50% of a company or shares worth over €800,000 and was resident six of the last ten years; deferral with or without guarantee depending on the destination; charge lapses after two or five years of continued holding	File for deferral; keep the holding record
Germany	Exit tax on unrealised gains on shareholdings of 1% or more held by long-term residents on departure (not described in the sources for this edition; to be confirmed locally)	Consider restructuring before departure; apply for instalments
Ireland	Exit charge for companies; individuals remain ordinarily resident for three years after departure	Plan the timing of share disposals

Country	Rule	Action
Israel	Deemed sale of assets (including shares and options) the day before residence ceases; tax payable on departure or on the later sale on the linear portion of the gain accrued while resident	Track the pre-departure portion of gains
Netherlands	Precautionary (conserving) assessment on pension entitlements on emigration, suspended for ten years; a similar assessment applies to Box 2 substantial interests (to be confirmed locally)	Model future dividends and pension drawings against the assessment
Norway	Exit tax on unrealised gains on shares and securities, payable immediately, in interest-free instalments over 12 years or at the end of 12 years with interest; eliminated on return within 12 years; residence continues for three years after emigration for residents of more than ten years	Obtain clearance on the emigration date; decide the payment option
Spain	Exit tax on unrealised gains on shares for individuals resident in ten of the last fifteen tax periods, under conditions	Check thresholds; deferral within the EU
Sweden	Continued residence while essential ties exist, with the burden of proof on the individual for the first five years after departure; ten-year rule on share gains after departure, subject to the treaty	See chapter 08
United Kingdom	Temporary non-residence rules for returns within five years; four-year FIG regime on arrival; non-resident CGT on UK property	Plan the length of absence; review property holdings
United States	Citizenship-based taxation continues; expatriation tax for covered expatriates on renunciation	US adviser required in every case

The table lists the rules most often encountered in practice and is not exhaustive; several other countries in this guide (Austria, Belgium, Finland, Italy, Luxembourg, Poland, Portugal, South Africa, Japan, South Korea) have exit, deemed disposal or trailing residence provisions that a local adviser must confirm before a move. Where a rule is not described in the sources used for this edition, it is included here as a prompt for local advice rather than as a statement of the current law.

CAUTION

ATZ FinHub advises on the Cyprus side of every relocation and structure. Where a country in this guide applies an exit tax, a deemed disposal or a trailing residence rule, the client should obtain written advice from a qualified adviser in that country before the change of residence, transfer of assets or migration of a company takes place, and ATZ FinHub will coordinate the Cyprus steps with that adviser.

● Cyprus treaty network

Cyprus has double tax treaties with more than 60 countries and territories, of which 55 are among the countries in this guide. The table gives the maximum withholding tax that each partner may charge on dividends, interest and royalties paid to a Cyprus resident; the domestic rate in the final column applies where the treaty conditions are not met, and where the domestic rate is lower than the treaty ceiling the domestic rate applies. Cyprus charges no withholding tax on outbound dividends and interest and on royalties for rights used outside Cyprus, whether or not a treaty exists, so the treaty tables matter for inbound flows. Treaties with Croatia and the Netherlands took effect on 1 January 2024, the treaty with Oman on 1 January 2026, and the treaty with Curaçao takes effect on 1 January 2027.

Cyprus treaty partners covered in this guide: maximum source-country withholding on payments to Cyprus

Treaty partner	Dividends	Interest	Royalties	Partner's domestic dividend WHT (non-treaty)
European Union				
Austria	10%	Nil	Nil	23 / 27.5%
Belgium	10/15%	0/10%	Nil	30%
Bulgaria	5/10%	0/7%	10%	5%
Croatia	5%	0/5%	5%	10%
Czech Republic	0/5%	Nil	0/10%	15% (35% non-treaty)
Denmark	0/15%	Nil	Nil	27% (0% group companies)
Estonia	Nil	Nil	Nil	0% (7% certain individuals)
Finland	5/15%	Nil	Nil	20% corp. / 30% other (0% EU parents)
France	10/15%	0/10%	0/5%	25% (75% non-cooperative)
Germany	5/15%	Nil	Nil	25% + soli (26.375%)
Greece	25%	10%	0/5%	5%
Hungary	5/15%	0/10%	Nil	0% (15% individuals)
Ireland	Nil	Nil	0/5%	25%
Italy	15%	10%	Nil	26% (1.2% EU companies)
Latvia	0/10%	0/10%	0/5%	0% (20% low-tax territories)
Lithuania	0/5%	Nil	5%	17% (0% for 10% holdings)
Luxembourg	0/5%	Nil	Nil	15% (0% qualifying parents)
Malta	Nil	0/10%	10%	0%
Netherlands	0/15%	Nil	Nil	15% (25.8% conditional)
Poland	0/5%	0/5%	5%	19%
Portugal	10%	10%	10%	25%
Romania	10%	0/10%	0/5%	16%
Slovakia	10%	0/10%	0/5%	0% (7% individuals; 35% non-cooperative)
Slovenia	5%	0/5%	5%	15%
Spain	0/5%	Nil	Nil	19%
Sweden	5/15%	0/10%	Nil	30% (0% qualifying foreign companies)
Other Europe and Central Asia				
Armenia	0/5%	0/5%	5%	5%
Bosnia and Herzegovina	10%	10%	10%	—
Georgia	Nil	Nil	Nil	5%

Treaty partner	Dividends	Interest	Royalties	Partner's domestic dividend WHT (non-treaty)
Guernsey	Nil	Nil	Nil	0%
Jersey	Nil	Nil	Nil	0%
Kazakhstan	5/15%	0/10%	10%	15% (20% tax havens)
Moldova	5/10%	5%	5%	6%
Montenegro	10%	10%	10%	15% (30% listed regimes)
Norway	0/15%	Nil	Nil	25% (0% EEA companies)
Serbia	10%	10%	10%	20%
Switzerland	0/15%	Nil	Nil	35%
Ukraine	5/10%	0/5%	5/10%	15%
United Kingdom	0/15%	Nil	Nil	0%
Middle East and Africa				
Bahrain	Nil	Nil	Nil	0%
Egypt	5/10%	10%	10%	10% (5% listed)
Jordan	5/10%	0/5%	7%	0%
Kuwait	Nil	Nil	5%	0% (15% pre-2015 listed profits)
Mauritius	Nil	Nil	Nil	0%
Oman	Nil	Nil	8%	10% (suspension reported: confirm)
Qatar	Nil	Nil	5%	0%
Saudi Arabia	0/5%	Nil	5/8%	5%
South Africa	5/10%	Nil	Nil	20%
United Arab Emirates	Nil	Nil	Nil	0%
Americas				
Canada	15%	0/15%	0/10%	25%
United States	5/15%	0/10%	Nil	30%
Asia-Pacific				
China	10%	10%	10%	10%
India	10%	0/10%	10%	20% + surcharge/cess
Singapore	Nil	0/7/10%	10%	0%
Thailand	10%	0/10/15%	5/10/15%	10%

Where two rates are shown for dividends, the lower rate generally applies to a company holding at least 10% (Czech Republic, Denmark, France, Germany, Kazakhstan, Lithuania, Luxembourg, Norway, Poland, South Africa, Spain, Switzerland, United States, Jordan) or 25% (Belgium, Bulgaria, Hungary, Moldova, Saudi Arabia, Sweden) of the capital, or to a 5% holding in the Netherlands, a 20% holding in Egypt and Ukraine, or an investment of at least €150,000 in Armenia; the higher rate applies to individuals. Nil interest rates usually apply to government and central bank lenders and, in several treaties, to banks. Royalty rates depend on the type of right as noted in the regional chapters. Treaty partners not covered in this guide include Andorra, Barbados, Belarus, Curaçao, Ethiopia, Iceland, Iran, Lebanon, Russia, San Marino, Seychelles and Syria; the operation of the Russia treaty is affected by Russia's

suspension of provisions of its treaties with a number of states, and its position must be confirmed before any rate is applied. Oman: the domestic 10% withholding on dividends and interest is reported to be suspended (confirm for the payment date). Azerbaijan is not listed as a partner; whether the former USSR treaty is recognised by both administrations must be confirmed before use.

NOTE

For ordinary dividends, interest and royalties paid to non-residents, Cyprus withholding tax arises in three cases only: 10% on royalties for rights used in Cyprus (5% for films), reducible by treaty or the EU Interest and Royalties Directive; 17% on dividends and interest and 10% on royalties paid to companies in jurisdictions on the EU list of non-cooperative jurisdictions (50% ownership test); and, from 1 January 2026, 5% on dividends paid by non-quoted companies to companies in low-tax jurisdictions. Outside those cases, dividends and interest to non-residents (companies or individuals) and royalties for rights used outside Cyprus bear no Cyprus withholding tax, which is the foundation of the outbound scenarios in chapter 09. That statement is limited to those three income types: separate withholding rules apply, subject to the treaties, to specified Cyprus-source income of non-residents, in particular the gross income of non-resident professionals, entertainers and sportspersons from activities performed in Cyprus (10%), and income from technical services and activities connected with the exploration, extraction or exploitation of the continental shelf, the seabed and related installations (5%). The recipient being an individual does not by itself exempt a payment; the type of income and the treaty decide.

● Legal references

- Income Tax Law 118(I)/2002, as amended for tax year 2026 (corporation tax 15%, personal bands, participation exemption, IP Box, notional interest deduction, exit taxation).
- Special Contribution for the Defence of the Republic Law 117(I)/2002, as amended (5% on dividends of domiciled individuals from 2026; withholding on payments to non-cooperative and low-tax jurisdictions).
- General Healthcare System Law 89(I)/2001, as amended (2.65% contribution on dividends, cap of €180,000).
- Value Added Tax Law 95(I)/2000, as amended, and Council Directive 2006/112/EC (EU VAT rates and the SME scheme from 1 January 2025).
- Council Directive 2011/96/EU (Parent-Subsidiary Directive) and Council Directive 2003/49/EC (Interest and Royalties Directive).
- Council Directive (EU) 2016/1164 (ATAD: exit taxation, controlled foreign companies, interest limitation) and Council Directive (EU) 2022/2523 (Pillar Two), implemented in Cyprus by the Law on Ensuring a Global Minimum Level of Taxation of Multinational Enterprise Groups and Large-Scale Domestic Groups of 2024.
- Regulation (EC) No 883/2004 on the coordination of social security systems.
- The double tax treaties concluded by the Republic of Cyprus with the partner countries listed above, as published in the Official Gazette, and the OECD Model Tax Convention and Multilateral Instrument as they modify those treaties.
- The domestic tax laws of each jurisdiction in the tables, as summarised in the corporate (2025) and personal, immigration and VAT (2026) worldwide reference sources reviewed for this edition.



Let's talk about your next step

ATZ FinHub supports Cyprus-based and international clients with accounting, VAT and payroll, tax compliance and advisory, company formation and administration, business consulting and valuations, and residence and immigration services, working alongside our affiliated licensed audit firm A. Zissimos & Partners Ltd.

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