

27/01/2022

---

## **OTHER TAX DEVELOPMENTS**

---

### **1. Protocol to the Double Tax Treaty between Cyprus and Switzerland enters into force**

On [3 November 2021](#), the Protocol to the Double Tax Treaty between Cyprus and Switzerland entered into force, according to the official website of the Ministry of Finance. The Protocol was signed on 20 July 2020 and was published in the Gazette on 24 July 2020. For access to the Protocol as published in the Gazette, see [here](#).

### **2. Adoption of the Public Country-by-Country (CbC) Reporting Directive**

Further to the announcement of the European Council of [1 June 2021](#) announcing a provisional political agreement on the proposed Directive (see also [June Bulletin](#)), the European Parliament in its press release on [11 November 2021](#) the adoption of the Public Country-by-Country (CbC) Reporting Directive, which aims to undermine tax avoidance and provides that multinationals and their subsidiaries with annual revenues over €750 million - and which are active in more than one EU country- will now have to publish the amount of tax they pay in each Member State. The information will also need to be made publicly available on the internet using a common template and format.

The Directive provides for detailed reporting in order to achieve greater transparency and additional safeguards for abuse prevention such as requiring subsidiaries/branches who fall below the revenue threshold to publish their tax information if they are deemed to exist only to help a company avoid the new reporting requirements.

It is further noted that the Directive has extra-territorial reach, meaning that, the tax transparency reports also extent to the [EU list of non-cooperative jurisdictions](#) for tax purposes outside the EU.

The Directive will enter into force 20 days after publication in the Official EU Journal and Member States will have 18 months to transpose it into their national laws. For more information, see the official announcement [here](#).

### **3. Double Tax Treaty Agreement between Cyprus and Jordan signed**

The Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income between Cyprus and Jordan was signed on 17 December 2021.

The Agreement is based on the OECD Model Convention for the Elimination of Double Taxation on Income and on Capital and the UN Model Tax Agreement and incorporates all the minimum standards of the Base Erosion Profit Shifting (BEPS). For the official Press Release by the Ministry of Finance, see [here](#).

Prepared by Mirka Savva  
Assistant Manager