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**Cyprus
and
Spain**

Convention between the Republic of Cyprus and the Kingdom of Spain for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (with protocol). Nicosia, 14 February 2013

Entry into force: *28 May 2014, in accordance with article 27*

Authentic texts: *English, Greek and Spanish*

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**Chypre
et
Espagne**

Convention entre la République de Chypre et le Royaume d'Espagne tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune (avec protocole). Nicosie, 14 février 2013

Entrée en vigueur : *28 mai 2014, conformément à l'article 27*

Textes authentiques : *anglais, grec et espagnol*

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[ENGLISH TEXT – TEXTE ANGLAIS]

CONVENTION
BETWEEN
THE REPUBLIC OF CYPRUS
AND
THE KINGDOM OF SPAIN
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL

The Republic of Cyprus and the Kingdom of Spain, desiring to conclude a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, have agreed as follows:

CHAPTER I
SCOPE OF THE CONVENTION

Article 1
PERSONS COVERED

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2
TAXES COVERED

1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Convention shall apply are in particular:
a) in Spain:

- i) the income tax on individuals;
- ii) the corporation tax;
- iii) the income tax on non residents; and
- iv) the capital tax;

b) in Cyprus:

- i) the income tax;
- ii) the corporate income tax;
- iii) the special contribution for the defence of the Republic;
- iv) the immovable property tax; and
- v) the capital gains tax.

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of significant changes which have been made in their respective taxation laws.

**CHAPTER II
DEFINITIONS**

**Article 3
GENERAL DEFINITIONS**

1. For the purposes of this Convention, unless the context otherwise requires:
 - a) the term "Spain" means the Kingdom of Spain and, when used in a geographical sense, means the territory of the Kingdom of Spain, including inland waters, its territorial sea and any area outside the territorial sea upon which, in accordance with international law and on application of its domestic legislation, the Kingdom of Spain exercises or may exercise in the future jurisdiction or sovereign rights with respect to the seabed, its subsoil and superjacent waters, and their natural resources;
 - b) the term "Cyprus" means the Republic of Cyprus and, when used in a geographical sense, includes the national territory, the territorial sea, as well as any area beyond the territorial sea, including the continental shelf, within which the Republic of Cyprus, in accordance with international law and the laws of Cyprus, exercises sovereign rights or jurisdiction;
 - c) the terms "a Contracting State" and "the other Contracting State" mean Spain or Cyprus as the context requires;
 - d) the term "person" includes an individual, a company and any other body of persons;
 - e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - f) the term "enterprise" applies to the carrying of any business;
 - g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - i) the term "competent authority" means:
 - i) in Spain: the Minister of Finance and Public Administration or his authorised representative;
 - ii) in Cyprus: the Minister of Finance or his authorised representative;

- j) the term "national" means:
 - i) - in the case of Spain, any individual possessing the nationality of Spain;
- in the case of Cyprus, any individual possessing the citizenship of Cyprus;
 - ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State.
- k) the term "business" includes the performance of professional services and of other activities of an independent character.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4 RESIDENT

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

- a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);
- b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.