

Flash Report

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New Ukraine-Ireland Tax Treaty



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New Tax Treaty signed with Ireland

On 19 April 2013, a new tax treaty between Ukraine and Ireland and a protocol to the treaty were signed.

The treaty introduces the following withholding tax (WHT) rates:

Type of income	WHT rate
Dividends	<ul style="list-style-type: none">• 5%, if 25% ownership threshold is met• 15% in other cases
Interest	<ul style="list-style-type: none">• 5%, if interest is paid (i) in respect of any loans granted by a bank, or (ii) in connection with the sale on credit of any industrial, commercial or scientific equipment• 10% in other cases
Royalties	<ul style="list-style-type: none">• 5%, if royalties are paid for the right to use any copyright to scientific work, any patent, trade mark, secret formula or process, or for information concerning industrial, commercial or scientific experience• 10% in other cases

The new treaty sets forth the beneficial ownership requirement in order to enjoy reduced WHT rates on dividends, interest and royalties.

To become effective, the treaty needs to be ratified by the parliaments of the two states. If such ratification happens before 31 December 2013, the new treaty will apply from 1 January 2014.

We will continue monitoring the status of the tax treaty and will provide further updates.