

# Flash Report

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## ***Interest income subject to 15% PIT***



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## ***Interest income is now subject to 15% Personal Income Tax***

The Law\* which introduces amendments to the Tax Code regarding taxation of passive income was officially published on 2 August 2014. The Law provides for the following tax implications for personal income tax:

- Interest income will be taxed at a 15% rate. Banks and credit unions will be required to withhold personal income tax and report to the tax authorities the total amount of interest income and tax withheld during a given month without providing any information on the individuals or their bank accounts.
- Dividends, including foreign dividends, will be taxed at a 5% rate.

The Law indicates its date of entering into force as 1 August 2014.

*\*Based on the Law # 1588-VII dated 4 July 2014*