

Cyprus Rescinded as NJA in India

- The Way Forward -



Turning tax
into investment

May 2017

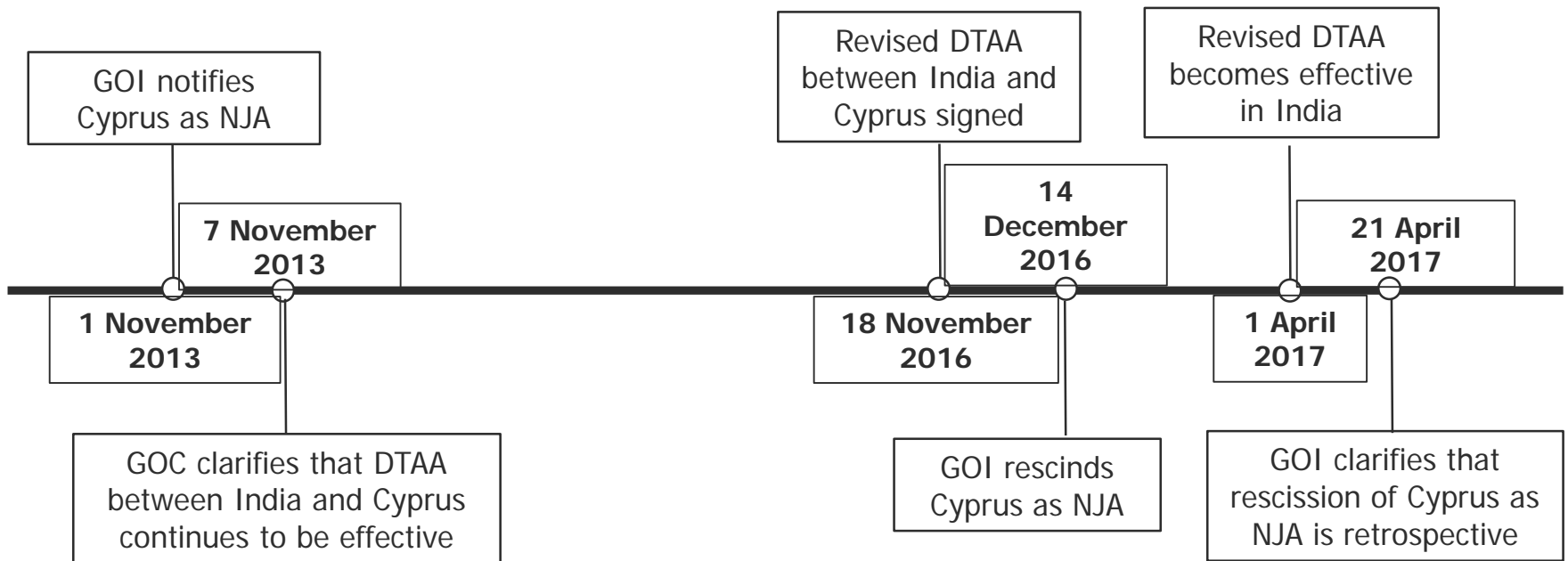
What is NJA

- Notified Jurisdictional Area -

- Section 94A of the IT Law empowers GOI to notify any country as NJA having regard to lack of effective exchange of information by such country with India
- Key consequences of such notification **for entities located in NJA:**
 - Payments received by entities in NJA from Indian entities to suffer withholding at the higher tax rate of 30%
 - All transactions with entities in NJA to be subjected to Indian transfer pricing regulations.

Cyprus had been notified as NJA
on November 1st, 2013

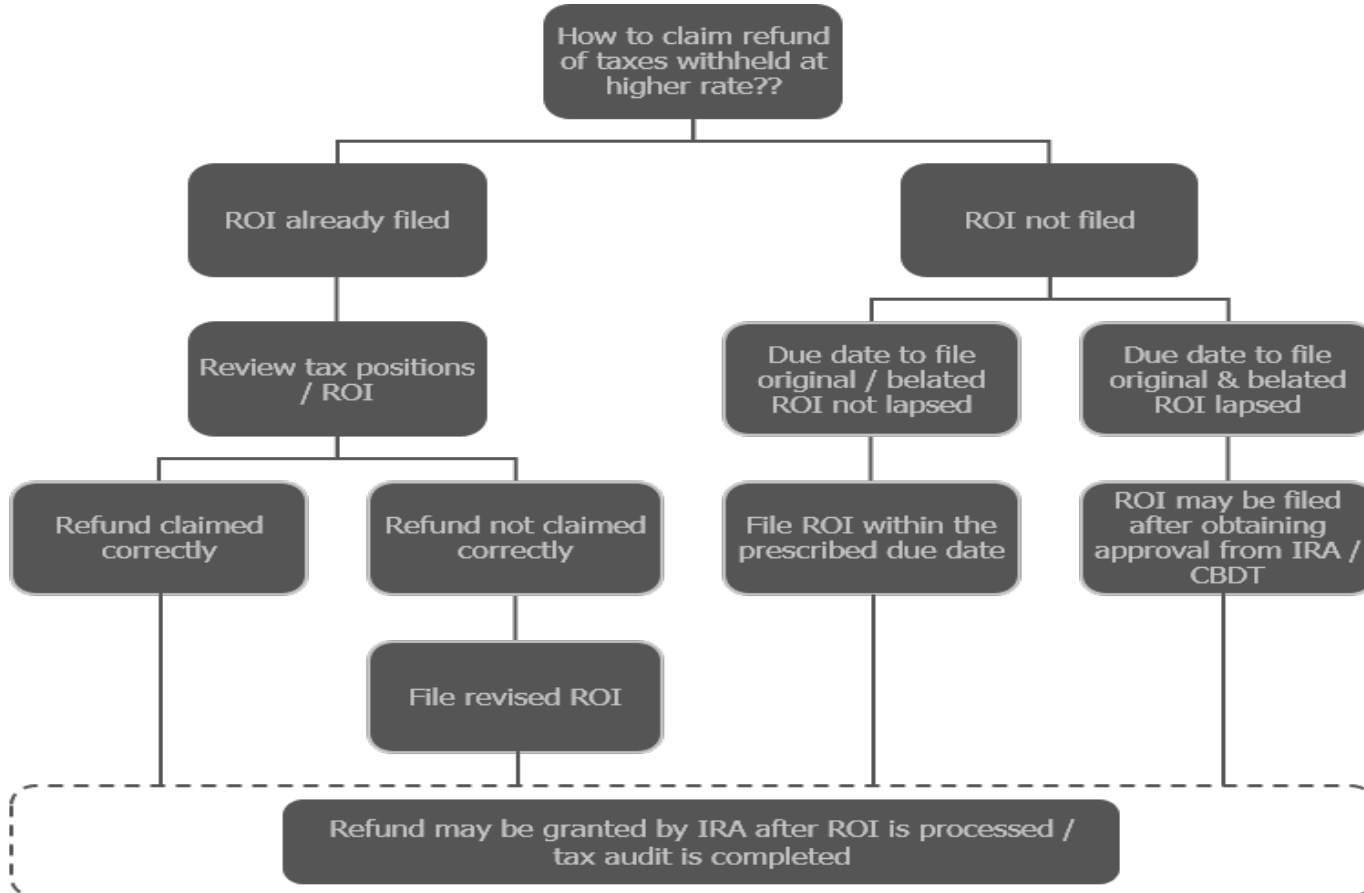
Timeline of Key Events



Impact Years - FY 2013-14 to FY 2016-17

Possible to claim the refund of higher taxes incurred during these years

Refund of higher taxes withheld - Way forward -



Illustrative transactions*
which may have suffered
higher withholding taxes in
India:

- Royalty income
- Fees for technical services
- Interest income
- Management fees
- Cost contribution arrangements
- Director fees
- Reimbursements
- Other business transactions
- Sale of shares

* Whether or not such transactions are undertaken with group entities

Analysis to be undertaken for each FY separately

Due dates of filing ROI for impact years

Statutory Due Dates	Financial Years			
	FY 13-14	FY 14-15	FY 15-16	FY 16-17
To File original ROI*	30 November, 2014	30 November, 2015	30 November, 2016	30 November, 2017
To file belated ROI	31 March, 2016	31 March, 2017	31 March, 2018	31 March, 2018
To file revised ROI	31 March, 2016	31 March, 2017	31 March, 2018	31 March, 2018

ROI may be filed / revised after obtaining specific approval from IRA / CBDT

ROI could be filed within the due dates as prescribed above

* On the assumption that Cyprus entity is a body corporate and subject to Indian transfer pricing regulations

How we can help you



Abbreviations

Abbreviation	Particulars
CBDT	Central Board of Direct Taxes in Cyprus
DTAA	Double Tax Avoidance Agreement between Cyprus and India
FY	Financial Year
GOC	Government of Cyprus
GOI	Government of India
CRA	Cyprus Revenue Authorities
IT Law	Income Tax Law
NJA	Notified Jurisdictional Area
ROI	Return of Income



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