



SUPPLEMENT No. 2

TO

THE CYPRUS GAZETTE No. 3315 OF 17TH JULY, 1947.

LEGISLATION.

THE STATUTE LAWS OF CYPRUS

No. 14 OF 1947.

A LAW TO AMEND THE INCOME TAX LAWS, 1941 TO 1946.

WINSTER,]

[30th June, 1947.

Governor.

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows:—

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| 1. This Law may be cited as the Income Tax (Amendment) Law, 1947, and shall be read as one with the Income Tax Laws, 1941 to 1946 (hereinafter referred to as "the principal Law"), and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 to 1947. | Short title.
6 of 1941
1 of 1942
27 of 1942
22 of 1943
7 of 1944
43 of 1944
7 of 1946. |
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Amendment
of section 19
of the prin-
cipal Law.

2. Section 19 of the principal Law is hereby amended as follows:—

(a) by the deletion in sub-section (1) of the brackets and words “(as reduced by any relief granted under sections 40 and 41 of this Law)” in lines 4 and 5 and the substitution therefor of the brackets and words “(double taxation relief being left out of account)”;

(b) by the insertion at the end of sub-section (2), as set out in section 4 of Law 27 of 1942, immediately after the words “that dividend” of the following words:—

“and also, where the tax paid or payable by the company is affected by double taxation relief, the rate (hereafter in this Law referred to as ‘the net Colonial rate’) of the tax paid or payable by the company after taking double taxation relief into account”;

(c) by the insertion immediately after sub-section (2) of the following sub-section:—

“(3) In this section the expression ‘double taxation relief’ means any credit for foreign income tax which is allowable against income tax chargeable under this Law by virtue of arrangements having effect under section 42A of this Law, and any relief allowable under section 40 or section 41 of this Law, including any credit or relief which has been taken into account in determining the net Colonial rate applicable to any dividends received by the company.”

Insertion of
new sections
42A, 42B and
42c in the
principal
Law.

3. The principal Law is hereby amended by the insertion therein immediately after section 42 of the following sections:—

“Double
taxation
arrange-
ments.

42A.—(1) If the Governor in Council by Order declares that arrangements specified in the Order have been made with the Government of any territory outside the Colony with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to income tax notwithstanding anything in any Law contained.

(2) On the making of an Order under this section with respect to arrangements relating to the United Kingdom, section 40 of this Law shall cease to have effect except in so far as the arrangements otherwise provide.

(3) On the making of an Order under this section with respect to arrangements relating to any territory forming part of His Majesty's dominions (other than the United Kingdom or the Colony), section 41 of this Law shall cease to have effect as respects that territory except in so far as the arrangements otherwise provide.

(4) Any Order made under this section may be revoked by a subsequent Order.

(5) Where any arrangements have effect by virtue of this section, the obligation as to secrecy imposed by section 4 of this Law shall not prevent the disclosure to any authorized officer of the Government with which the arrangements are made of such information as is required to be disclosed under the arrangements.

(6) The Governor in Council may make rules for carrying out the provisions of any arrangements having effect under this section.

Tax Credits.

42B.—(1) The provisions of this section shall have effect where, under arrangements having effect under section 42A of this Law, tax payable in respect of any income in the territory with the Government of which the arrangements are made is to be allowed as a credit against tax payable in respect of that income in the Colony; and in this section the expression 'foreign tax' means any tax payable in that territory which under the arrangements is to be so allowed and the expression 'income tax' means tax chargeable under this Law.

(2) The amount of the income tax chargeable in respect of the income shall be reduced by the amount of the credit:

Provided that credit shall not be allowed against income tax for any year of assessment unless the person entitled to the income is resident in the Colony for that year.