

**DOUBLE TAXATION CONVENTION
BETWEEN CYPRUS AND GREECE
TABLE OF CONTENTS**

Article	Description	Page No
1	Personal Scope	5.20
2	Taxes Covered	5.20
3	General Definitions	5.21
4	Permanent Establishment	5.22
5	Income From Immovable Property	5.23
6	Business Profits	5.23
7	Shipping and Air Transport	5.24
8	Associated Enterprises	5.25
9	Dividends	5.25
10	Interest	5.26
11	Royalties	5.26
12	Capital Gains	5.27
13	Independent Personal Services	5.27
14	Dependent Personal Services	5.28
15	Directors' Fees	5.28
16	Artistes and Athletes	5.28
17	Pensions	5.28
18	Government Functions	5.29
19	Researchers, Teachers, Students And Apprentices	5.29
20	Income Not Expressly Mentioned	5.29
21	Allowance Of Credit	5.29
22	Non-discrimination	5.31
23	Mutual Agreement Procedure	5.31
24	Exchange Of Information	5.32
25	Diplomatic And Consular Officials	5.32
26	Entry into Force	5.33
27	Termination	5.33

Double Taxation Conventions

Article 1

Cyprus - Greece (1967)

Approved by Council of Ministers	: 3.5.1968
Date of signature	: 30.03.1968
Date of ratification (In Force)	: 16.01.1969
Year of commencement (Effective)	: 1967
Date of Publication	: 10.05.1968
Official Gazette No.	: 651

CONVENTION

BETWEEN THE KINGDOM OF GREECE AND CYPRUS FOR THE
AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL
EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the Kingdom of Greece and the Government of Cyprus.

Desiring to avoid double taxation and to prevent fiscal evasion with respect to taxes on income, have agreed to conclude the convention that follows. For this purpose they have appointed as their plenipotentiaries:

The Government of the Kingdom of Greece, H.E. the Foreign Minister Mr Panayiotis Pipinelis,

The Government of Cyprus, H.E. Mr Nicos Kranidiotis Ambassador in Athens.

Who having exhibited their respective full powers, found in good and due form, have agreed as follows:

Article 1

PERSONAL SCOPE

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

income 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.

Article 2

TAXES COVERED

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

2. There shall be regarded as taxes on income all taxes imposed on total

3. The taxes to which this Convention shall apply are, in particular:

(a) In the case of the Kingdom of Greece

- (i) the income tax for individuals
- (ii) the income tax for legal persons
- (iii) the contribution in favour of the Organization of Agricultural Insurance, all other tax-

es on income, all additional taxes or other contributions that are levied within the dominion of the Kingdom of Greece, hereinafter referred to as "Greek tax".

(b) In the case of Cyprus

(i) the income tax, hereinafter referred to as "Cyprus Tax".

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

Article 3

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:

(a) the terms "a Contracting State" and "the other Contracting State" mean the Kingdom of Greece or Cyprus, as the context requires;

(b) the term "person" comprises an individual, a company and any other body of persons;

(c) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes.

(d) the term "tax" means Greek tax or Cyprus tax as the context requires;

(e) the term "resident of the Kingdom of Greece" means:

(i) any company whose busi-

ness is managed and controlled in Greece;

(ii) any other person who is resident in Greece for the purposes of Greek tax and not resident in Cyprus for the purposes of Cyprus tax.

(f) the term "resident of Cyprus" means:

(i) any company whose business is managed and controlled in Cyprus;

(ii) any other person who is resident in Cyprus for the purposes of Cyprus tax and not resident in Greece for the purposes of Greek tax;

(g) the terms "resident of a Contracting State" and "resident of the other Contracting State" mean a person who is a resident of Greece or a person who is a resident of Cyprus, as the context requires;

(h) 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;

(i) the term "competent authority" means:

(i) in the case of the Kingdom of Greece the Ministry of Finance.

(ii) in the case of Cyprus the Commissioner of Income Tax or his authorised representative;

2. Where any Article of this Convention provides (with or without conditions) that income derived by a resident of a Contracting State from

Double Taxation Conventions

Article 3

Cyprus - Greece (1967)

sources within the other Contracting State shall be taxable only in the first-mentioned State or entitled to a reduced rate of tax in the other State and, under the law in force in that first-mentioned State, the said income is subject to tax by reference to the amount thereof which is remitted to or received in that State and not by reference to the full amount thereof, then the exemption or reduction in rate in the other State resulting from such Article shall apply only to so much of the income as is remitted to or received in the first-mentioned State.

3. As regards the application of the Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

Article 4

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a mine, quarry or other place of extraction of natural resources;

(g) a building site or construction or assembly project.

3. The term "permanent establishment" shall not be deemed to include:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods merchandise, or for collecting information, for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

4. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State - other than an agent of an independent status to whom paragraph 5 applies - shall be deemed to be a permanent establishment in the first-mentioned State if he has, and habitually exercises in that state, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.

5. An enterprise of a Contracting State shall not be deemed to have a

permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such person is acting in the ordinary course of his business.

6. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise) shall not of itself constitute either company a permanent establishment of the other.

7. Where an enterprise of one of the Contracting States sells in the other State goods manufactured, assembled, processed, packed or distributed in the other State by an enterprise for or at, or to the order of, that first-mentioned enterprise and-

- (a) either enterprise participates directly or indirectly in the management, control or capital of the other enterprise; or
- (b) the same persons participate directly or indirectly in the management, control or capital of both enterprises, mentioned then for the purposes of this Convention that first-mentioned enterprise shall be deemed to have a permanent establishment in the other State and to be engaged in trade or business in the other State through that permanent establishment.

Article 5

INCOME FROM IMMOVABLE PROPERTY

1. Income from immovable property

may be taxed in the Contracting State in which such property is situated.

2. The term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional services.

Article 6

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment. If the information available to the taxation authorities concerned is inadequate to determine the profits to be attributed to the permanent establishment nothing in this paragraph shall affect the application of the law of either State in relation to the liability of the permanent establishment to pay tax on an amount determined by the making of an estimate by the taxation authorities of that State; provided that such estimate shall be made, so far as the information available to the taxation authorities permits, in accordance with the principle stated in this paragraph.

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment adopted shall, however, be such that the result shall be in accordance with the principles laid down in this Article.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

7. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 7

SHIPPING AND AIR TRANSPORT

1. Profits from the operation of ships in international traffic shall be taxable only in the Contracting State in which the ships are registered, or in the State which supplied them with the title of their nationality.

2. Profits of an enterprise from the operation of aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

Consequently, the agreement which was concluded between Greece and the United Kingdom (through the interchange of the communication notes of 16.11.1960) and which related to the exemption of the profits generated from the exploitation of aircraft and which also included Cyprus, will not be applicable so long as this convention is in force.

Article 8

ASSOCIATED ENTERPRISES

1. Where-

- (a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital or an enterprise of the other Contracting State; or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State, and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. If the information available to the taxation authorities concerned is inadequate to determine, for the purpose of paragraph 1 of this Article, the profits which might be expected to accrue to an enterprise, nothing in that paragraph shall affect the application of the law of either State in relation to the liability of that enterprise to pay tax on an amount determined by the making of an estimate by the taxation authorities of that State, provided that such estimate shall be made, so far as the information available to the taxation authorities permits, in accordance with the principle stated in that paragraph.

Article 9

DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but the tax so charged shall not exceed 25% of the gross amount of the dividends.

3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights assimilated to income from shares by the taxation law of the State of which the Company making the distribution is a resident.

4. The provisions of paragraph 1 shall not apply if the recipient of the dividends, being a resident of a Contracting State, has in the other Contracting State, of which the Company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the provisions of Article 6 shall apply.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State shall not impose any tax on the dividends paid by the Company to persons who are not residents of that other State, or subject the company's undistribut-

Double Taxation Conventions

Article 9

Cyprus - Greece (1967)

ed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 10

INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such interest may be taxed in the Contracting State in which it arises according to the law of that State, but the tax so charged shall not exceed 10% of the amount of interest.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3. The term "interest" as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income assimilated, by the taxation law of the State in which the income arises, to income from money lent.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the interest, being a resident of a Contracting State, has in the other Contracting State in which the interest arises a permanent establishment with which the debt-claim from which the interest arises is effectively connected. In such a case, the provisions of Article 6 shall apply.

5. Interest shall be deemed to arise

in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the interest paid, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this article shall apply only to the last-mentioned amount. In that case, the excess part of the payment shall be taxed according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

Article 11

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including films for use in con-

nection with television or video tapes for use in connection therewith, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience.

3. The provisions of paragraph 1 shall not apply if the recipient of the royalties, being a resident of a Contracting State has in the other Contracting State in which the royalties arise a permanent establishment with which the right or property giving rise to the royalties is effectively connected. In such a case, the provisions of Article 6 shall apply.

4. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payment shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

5. Nothing in this Article shall prohibit a Contracting State from imposing tax computed at a rate not exceeding 5 per cent on the gross amount of any payment of any kind received by a resident of the other Contracting State as a consideration for the use of, or the right to use, motion picture films (other than films for exhibition on television).

Article 12

CAPITAL GAINS

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 5, may be taxed in the Contracting State in which such property is situated.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing professional services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains from the alienation of ships and aircraft shall be taxable only in the Contracting State in which the profits of such ships or aircraft are taxed in accordance with article 7 of the convention.

3. Gains from the alienation of any property, other than those mentioned in paragraphs 1 and 2, shall be taxable only in the Contracting State of which the alienator is a resident.

Article 13

INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless he has a fixed base regularly availa-

ble to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other Contracting State but only so much of it as is attributable to that fixed base.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 14

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Article 15, 17 and 18, salaries, wages and other similar remuneration in respect of an employment exercised in one or other of the Contracting States derived by a resident of Contracting State shall be taxable only in the latter State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned state if:

- (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned; and
- (b) the remuneration is paid by, or on

- behalf of, an employer who is not a resident of the other State; and
- (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft in international traffic may be taxed in the Contracting State in which the profits from operation of such ship or aircraft are taxed in accordance with article 7 of this convention.

Article 15

DIRECTORS' FEES

Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 16

ARTISTES AND ATHLETES

Notwithstanding the provisions of Articles 13 and 14, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.

Article 17

PENSIONS

Subject to the provisions of paragraph 1 of Article 18, pensions and

other similar remuneration derived by a resident of a Contracting State in consideration of past employment shall be taxable only in the latter State.

Article 18

GOVERNMENT FUNCTIONS

1. Remuneration, including pensions, paid by a Contracting State to any individual in respect of services rendered to that State in the discharge of functions of a governmental nature shall be taxable only in that State, unless the individual is a national of the other Contracting State without being also a national of the first-mentioned State.

2. The provisions of paragraph 1 shall not apply to remuneration or pensions in respect of services connected with any trade or business carried on by a Contracting State or other related bodies.

In this case the provisions of articles 14, 15 and 17 of this convention apply.

Article 19

RESEARCHERS, TEACHERS, STUDENTS AND APPRENTICES.

1. The remuneration which an individual of a Contracting State receives for undertaking study or research at a high level or for teaching, during a period of temporary residence not exceeding two years at a university, research institute, school, college or other similar establishment in the other Contracting State shall not be taxable in the latter State.

2. Payments which a student or busi-

ness apprentice who is or was formerly a resident of a Contracting State and who is present in the other Contracting State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that other Contracting State, provided that such payments are made to him from sources outside that other Contracting State.

3. Remuneration which a student or business apprentice who is or was formerly a resident of a Contracting State derives from an employment which he exercises in the other Contracting State for the purposes of practical training for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned shall not be taxed in that other State.

Article 20

INCOME NOT EXPRESSLY MENTIONED

Items of income arising in a Contracting State to a resident of the other Contracting State which are not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in the later State.

Article 21

ALLOWANCE OF CREDIT

1. The laws of the Contracting States shall continue to govern the taxation of income arising in either of the Contracting States except where express provision to the contrary is made in this Convention. Where income is subject to tax in both Contracting States, relief from double taxation shall be given in accordance with the

following paragraphs of this Article.

2. Subject to the provisions of the law of Greece regarding the allowance as a credit against Greek tax of tax payable in a territory outside Greece, Cyprus tax payable under the laws of Cyprus, whether directly or by deduction, in respect of income from sources within Cyprus shall be allowed as a credit against any Greek tax payable in respect of that income. Where such income is an ordinary dividend paid by a company resident in Cyprus the credit shall take into account (in addition to any Cyprus tax payable in respect of the dividend) the Cyprus tax payable by the company in respect of its profits, and, where it is a dividend paid on participating preference shares and representing both a dividend at the fixed rate to which the shares are entitled and an additional participation in profits, the Cyprus tax so payable by the company shall likewise be taken into account in so far as the dividend exceeds that fixed rate.

3. (1) For the purposes of paragraph 2, "Cyprus tax payable" shall be deemed to include-

- (a) the Cyprus tax which would have been payable on any profits or interest granted tax incentive exemption or relief in Cyprus but for such tax incentive exemption or relief;
- (b) the Cyprus tax which would have been deductible from any dividend paid out of profits granted tax incentive exemption or relief in Cyprus but for such tax incentive exemption or relief.

4. Subject to the provisions of the law of Cyprus regarding the allowance as a credit against Cyprus tax of

tax payable in a territory outside Cyprus, Greek tax payable under the laws of Greece whether directly or by deduction, in respect of income from sources within Greece shall be allowed as a credit against any Cyprus tax payable in respect of that income. Where such income is an ordinary dividend paid by a company resident in Greece the credit shall take into account (in addition to any Greek tax payable in respect of the dividend) the Greek tax payable by the company in respect of its profits, and, where it is a dividend at the fixed rate to which the shares are entitled and an additional participation in profits, the Greek tax so payable by the company shall likewise be taken into account in so far as the dividend exceeds that fixed rate.

5.- (1) For the purposes of paragraph 4, "Greek tax payable" shall be deemed to include-

- (a) the Greek tax which would have been payable on any profits granted tax incentive exemption or relief;
- (b) the Greek income tax which would have been deductible from any dividend paid out of profits granted tax incentive exemption or relief in Greece but for such tax incentive exemption or relief.

6. Where an individual who is resident in Greece for the purposes of Greek tax and is also resident in Cyprus for the purposes of Cyprus tax derives income from sources outside both Greece and Cyprus tax may be imposed on that income in each of the Contracting States (subject to the law in force in that Contracting State and to any Convention for the avoidance of double taxation of income which may exist between that Contracting State

and the territory from which the income is derived) but there shall be allowed against the tax imposed by each Contracting State on so much of that income as is subjected to tax in both Contracting States a credit which bears the same proportion to the amount of that tax (as reduced by any credit allowed in respect of tax payable in the country from which the income is derived) or to the amount of the tax imposed by the other Contracting State (reduced as aforesaid), whichever is the less, as the former amount (before any such reduction) bears to the sum of both amounts (before any such reduction).

7. For the purposes of this Article, profits or remuneration arising from the exercise of a profession or employment in one of the Contracting States shall be deemed to be income from sources within that Contracting State, and the services of an individual whose services are wholly or mainly performed in ships registered in one of the Contracting States or aircraft operated by a resident of a Contracting State shall be deemed to be performed in that Contracting State.

Article 22

NON-DISCRIMINATION

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirements connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

2. The term "nationals" means:

(a) all individuals possessing the na-

tionality of a Contracting State;

(b) all legal persons, partnerships and associations deriving their status as such from the law in force of each of the Contracting States.

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourable levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

Nothing in this Article shall be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of that first-mentioned State are or may be subjected.

5. In this Article the term "taxation" means the taxes which are the subject of this Convention.

Article 23

**MUTUAL AGREEMENT
PROCEDURE**

1. Where a resident of a Contracting State considers that the actions of

one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 24

EXCHANGE OF INFORMATION

1. The competent authorities of the

Contracting States shall exchange such information as is necessary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is in accordance with this Convention. Any information so exchanged shall not be disclosed to any persons or authorities except for the purpose of the assessment or collection of the taxes which are the subject of the Convention.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States the obligation:

- (a) to carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;
- (b) to supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.

Article 25

DIPLOMATIC AND CONSULAR OFFICIALS

Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under provisions of special agreements.

Article 26

ENTRY INTO FORCE

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Athens as soon as possible.

2. The Convention shall enter into force upon the exchange of instruments of ratification and its provisions shall have effect on incomes derived on or after 1st January of the year 1967.

Article 27

TERMINATION

This convention shall remain in force indefinitely, but either of the Contracting States may terminate the Convention, through diplomatic channels by giving notice of termination at least six months before the end of any calendar year. In such event the Convention shall cease to have effect as respects income derived on or after the 1st January in the calendar year next following that in which such notice is given.

Done at Athens this 30th day of March 1968, in duplicate in the Greek language.

For the Government
of Cyprus
N. Kranidiotis

For the Government
of the Kingdom of Greece
P. Pipinelis