

# DTTs REVISION / RELOCATION TO AUSTRIA

## WHAT HAPPENED?

Russia revised Double Tax Treaties (DTTs) with Cyprus, Luxembourg and Malta as of 1 January 2021 and is currently in negotiations to revise DTTs with other countries, e.g. the Netherlands, Hong Kong and Switzerland. The revised DTTs make structuring of dividend and interest payments via these jurisdictions significantly less attractive from tax perspective.

WE WILL FIND  
THE RIGHT  
APPROACH  
FOR YOU!

DTTs of Russia with Cyprus, Luxembourg and Malta are revised with negative tax effect for these jurisdictions as of 1 January 2021

Russia announced further plans to denunciate the DTTs with the Netherlands, Hong Kong and Switzerland

Tax structuring via jurisdictions with more beneficial DTT-regime (e.g. Austria) is strongly advised.

## CHANGES & OPPORTUNITIES

- One of the major changes under the revised DTTs with **Cyprus, Luxembourg and Malta** is the **increased 15% withholding tax rate on dividend and interest payments** from a Russian company to a tax resident in one of the affected jurisdictions (e.g. Cyprus) or vice versa (e.g. from Cyprus to Russia), subject to very limited exemptions
- The DTT between Russian and **Austria** provides for an easy achievable **5% withholding tax rate on dividend payments** and **0% on interest payments**
- **Austria** was not announced to be among the countries with which Russia wants to revise the DTTs and therefore becomes a highly attractive country (from tax perspective) for the relocation of existing business to Austria or the structuring of new businesses in / from Austria

### Other Services:

- ✓ Family Office / HoldCo/ Private Foundation
- ✓ Real Estate / Mezzanine Finance
- ✓ Bank Account Opening
- ✓ Immigration
- ✓ M&A - Investment Opportunities



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### Why Austria?

- ✓ Austria has comparatively good relations and close ties to Russia/CIS, both from a political and an economic situation, and a political climate supportive of investments from Russia/CIS, which is a very decisive and favourable factor
- ✓ A very competitive tax regime in comparison with other EU countries of a similar credit rating (especially due to ongoing denunciation by Russia of double tax treaties with certain jurisdictions (i.a. Cyprus, Luxembourg and Malta))
- ✓ A beautiful country with huge business potential and opportunities (especially, due to the Brexit)
- ✓ High level of social security, education and recreational infrastructure