

# Tax Alert

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## Cyprus publishes 10-year government bond yield rates for notional interest deduction purposes

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On 7 March 2024, the Cypriot Tax Department issued an [announcement](#) that lists the 10-year government bond yield rates as of 31 December 2023 for a number of countries (listed in the table below) with respect to the notional interest deduction (NID) on equity. These yield rates should be used to determine the reference interest rate for claiming NID for the 2024 tax year. The key NID provisions and the applicability of the 10-year government bond yield rates are summarized below.

### Notional interest deduction

As of 1 January 2015, Cyprus tax-resident companies (as well as foreign companies with permanent establishments in Cyprus) that carry on a business are entitled to claim an NID on their equity capital introduced on or after 1 January 2015.

The NID is deducted from the company's taxable income for the relevant tax year (subject to any restrictions) for the period of time during which the company used the equity in carrying on its activities. The NID is subject to a number of conditions, including a taxable-income limitation.

The NID equals the multiple of the "reference interest rate" (as defined below) and "new equity."

"Reference interest rate" means the 10-year government bond yield of the country in which the new equity is invested, as of 31 December of the year preceding the tax year, increased by 5%.

10-year government bond yield rates<sup>1</sup> as of 31 December 2023 (applicable for 2024 tax year)<sup>2</sup>

Country	Yield rate	Country	Yield rate
Abu Dhabi	3.966	Jordan (US\$)	7.644
Albania	6.440	Kazakhstan (€)	3.775
Albania (€)	5.418	Kazakhstan (US\$)	5.495
Angola (US\$)	10.924	Kenya	15.620
Argentina	17.339	Kuwait	N/A*
Armenia	N/A*	Latvia	3.263
Australia	3.955	Lebanon	N/A*
Austria	2.580	Lithuania	3.317
Azerbaijan (US\$)	5.395	Luxembourg	2.809
Bahrain (US\$)	7.609	Malaysia	3.736
Belarus (US\$)	42.800	Malta (€)	3.680
Belgium	2.604	Mauritius	4.900
Bermuda (US\$)	5.100	Mexico	8.938
Bosnia and Herzegovina	N/A*	Mexico (€)	4.194
British Virgin Islands	N/A*	Mexico (US\$)	5.456
Bulgaria	4.208	Moldova	N/A*
Canada	3.813	Morocco	3.691
Cayman Islands	N/A*	Netherlands	2.322
Chile	5.478	New Zealand	4.321
Chile (€)	3.450	Nigeria	14.540
Chile (US\$)	4.889	Nigeria (€)	N/A*
China	2.557	North Macedonia (Skopje) (€)	5.177
Colombia	9.957	Norway	3.262
Colombia (US\$)	6.746	Oman (US\$)	5.402
Costa Rica	6.936	Pakistan	N/A*
Croatia	3.190	Pakistan (US\$)	15.287
Cyprus	3.250	Panama (US\$)	6.675
Czech Republic	3.752	Poland	5.191
Denmark	2.248	Portugal	2.620
Dubai (€)	N/A*	Qatar (US\$)	4.182
Dubai (US\$)	4.632	Romania	5.633
Egypt	24.987	Russia	11.440
Egypt (US\$)	13.651	Russia (US\$)	N/A*
Estonia	2.978	Saudi Arabia	4.729
Finland	2.563	Serbia	6.264
France	2.557	Singapore	2.691
Georgia	8.425	Slovakia	3.175
Germany	2.021	Slovenia	2.882
Guernsey	N/A*	South Africa	11.773
Ghana	40.540	Spain	2.981
Ghana (US\$)	22.845	Sweden	2.027
Greece	3.042	Switzerland	0.653
Hong Kong	2.907	Taiwan	1.213

Hungary	5.870	Tunisia	N/A*
India	7.185	Turkiye	23.600
Indonesia	6.454	Turkiye (€)	4.565
Indonesia (US\$)	4.916	Turkey (US\$)	7.120
Indonesia (€)	3.928	United States	3.879
Iraq	N/A*	Ukraine	N/A*
Ireland	2.352	Ukraine (€)	35.935
Isle of Man	4.514	Ukraine (US\$)	39.591
Israel	3.945	United Arab Emirates	N/A*
Israel (US\$)	5.146	United Kingdom	3.537
Italy	3.690	Uruguay	9.516
Ivory Coast	N/A*	Uruguay (US\$)	4.734
Jamaica (US\$)	7.372	Uzbekistan (US\$)	6.524
Japan	0.608	Vietnam	2.167

\* There are currently no government bond yield rates for these countries.

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## Endnotes

<sup>1</sup> The 10-year government bond yield rate of each country is in local currency unless otherwise denoted in the table.

<sup>2</sup> The Cypriot Tax Department updates the list during the year. As such, it is advisable to check their website for announcements of new additions to the list. Please visit: [Tax Department | Announcements \(mof.gov.cy\)](https://mof.gov.cy/Tax-Department-Announcements).

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