

Accounting and Tax Services

Cyprus Tax Facts 2023

Think Ahead

ACCA

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Income Tax-Individuals

Imposition of tax

An individual who is tax resident in the Republic of Cyprus (the Republic), is taxed on income accruing or arising from sources both within and outside the Republic. An individual who is not tax resident in the Republic, is only taxed on income accruing or arising from sources within the Republic.

Tax residency

An individual who spends more than 183 days in the Republic is a tax resident of the Republic.

An individual can be a tax resident of the Republic even if he/ she spends less than or equal to 183 days in the Republic provided that he/she satisfies all of the following conditions within the same tax year (1 January – 31 December):

- does not spend more than 183 days in any other country;
- is not a tax resident of any other country;
- spends at least 60 days in the Republic;
- maintains a permanent home in the Republic that is either owned or rented;
- carries on a business in the Republic, is employed in the Republic or holds an office in the Republic at any time during the tax year. If the employment/business or holding of an office is terminated during the year, then the individual would cease to be considered a tax resident of the Republic for that tax year.

Income Tax-Individuals

Tax residency

For the purpose of calculating the days of presence in the Republic:

- the day of arrival is considered as a day in the Republic;
- the day of departure is considered as a day out of the Republic;
- the arrival into the Republic and departure from the Republic on the same day is considered as a day in the Republic; and
- the departure from the Republic and return to the Republic on the same day is considered as a day out of the Republic.

Personal income tax rates

Taxable Income	Tax Rate	Tax	Cumulative Tax
€	%	€	€
0 - 19.500	0	0	0
19.501 - 28.000	20	1.700	1.700
28.001 - 36.300	25	2.075	3.775
36.301 - 60.000	30	7.110	10.885
Over 60.000	35		



Income Tax-Individuals

Exemptions

The following income is exempt from income tax:

Income	Exemption
Dividend income	The whole amount
Interest income (excluding interest income arising in the ordinary course of business or closely connected with the ordinary carrying on of the business)	The whole amount
Remuneration from first employment exercised in the Republic, which commenced after 26 July 2022 and until the year 2027, by an individual who was employed outside the Republic by a non-Cyprus resident employer for three consecutive years immediately before the commencement of his/her employment in the Republic.	20% of the remuneration or €8.550 (whichever is lower)

Income Tax-Individuals

Exemptions

The following income is exempt from income tax:

Income	Exemption
Remuneration from first employment exercised in the Republic, by an individual who was not a resident of the Republic for at least ten consecutive years immediately before the commencement of his/her employment in the Republic, provided that the remuneration from such employment exceeds €55.000	50% of the remuneration
Remuneration from the rendering of salaried services outside the Republic to a non-resident employer or a permanent establishment outside the Republic of a resident employer, for an aggregate period in the year of assessment of more than 90 days	The whole amount
Foreign exchange (FX) gains, with the exception of FX gains arising from trading in foreign currencies and related derivatives	The whole amount
Gains arising from the disposal of Securities	The whole amount

Income Tax-Individuals

Exemptions

The following income is exempt from income tax:

Income	Exemption
Gains arising from the disposal of Securities	The whole amount
Gains arising from a qualifying loan Restructuring	Up to the whole amount
Profits of a permanent establishment maintained outside the Republic (subject to conditions)	The whole amount
Rent from a preserved building (subject to conditions)	The whole amount
Lump sum received as retiring gratuity, commutation of pension, death gratuity or as consolidated compensation for death or injury	The whole amount
Lump sum repayment from life insurance schemes or approved provident funds	The whole amount

Income Tax-Individuals

Exemptions

The following income is exempt from income tax:

Income	Exemption
Capital gain from the disposal of intellectual property rights under the IP regime	The whole amount

Deductible expenses

All expenses incurred wholly and exclusively for the production of income are deductible in calculating the taxable income of an individual, including the following:

Expense	Deduction
Interest relating to the acquisition of assets used in the business	The whole amount
Expenses for letting of buildings	20% of the gross rental income
Interest in respect of the acquisition of a building for rental purposes	The whole amount



Income Tax-Individuals

Deductible expenses

Expense	Deduction
Subscriptions to trade unions or professional bodies	The whole amount
Expenditure for the maintenance of buildings under preservation order (subject to conditions)	Depends on the size of the building
Donations to approved charitable organisations	The whole amount
Donations to political parties (subject to conditions)	Up to €50.000
Expenditure for scientific research, and for Research & Development	The whole amount
Investment in an innovative small/medium sized business (subject to conditions)	Up to 50% of taxable income (capped at €150.000)
Expenditure on film infrastructure and technological equipment (subject to conditions)	Up to 20%

Income Tax-Individuals

Wear and tear allowances

Individuals carrying on a business are allowed to deduct wear and tear allowances on assets used in the business from their taxable income (page 28).

Non-deductible expenses

The following expenses are not deductible in calculating the taxable income of an individual:

Expense	Non-deductible
Expenses not incurred wholly and exclusively for the production of income	The whole amount
Expenditure not supported by appropriate documentation	The whole amount
Business entertainment expenses	Amount in excess of 1% of the gross income or €17.086 (whichever is lower)
Private motor vehicle expenses	The whole amount



Income Tax-Individuals

Non-deductible expenses

Expense

Interest payable or deemed to be payable in relation to the acquisition of a private motor vehicle, irrespective of whether it is used in the business or not, or other asset not used in the business. This restriction ceases after seven years from the date of acquisition of the relevant asset.

Non-deductible

The whole amount

Wages and salaries relating to services offered within the tax year on which social insurance and other contributions have not been paid in the year in which they were due.

The whole amount

In case the contributions (including any penalties and interest) are paid within two years following the due date, such wages and salaries will be tax deductible in the tax year in which they are paid.



Income Tax-Individuals

Loans or other financial assistance provided to company directors or individual shareholders

Any amount provided by a company as a loan or financial assistance to a director, or to an individual shareholder, or to his/her spouse, or to any relative up to second degree is considered as a monthly benefit equal to 9% per annum calculated on the amount received. Such benefit is included in the individual's income subject to income tax.

Benefits

Benefits provided to an employee or to a member of his/ her family, either in cash or otherwise, are subject to income tax. Detailed guidance on the practical application of benefits in kind has been issued by the Tax Department, through an informative leaflet which is available on the Tax Department's website.

Income Tax-Individuals

Losses

Losses carried forward

Individuals who carry on a business may carry forward tax losses incurred during a tax year over the next five years, to be offset against taxable income.

Where a person, including a partnership, converts a business into a limited liability company, any unutilised tax losses can be transferred to the new company.

Losses of a permanent establishment outside the Republic

Tax losses arising from a permanent establishment maintained outside the Republic can be offset against taxable profits arising in the Republic in the same year. However, any subsequent taxable profits from such a permanent establishment are taxable up to the amount of tax losses previously offset.

Personal Tax Allowances

The following are deductible from the taxable income of an individual:

Contributions

Social insurance contributions, contributions to the General Healthcare System, contributions to approved provident and pension funds, contributions to medical or other approved funds as well as life insurance premiums in respect of the life of the claimant

Allowance

limited to 1/5 of the net taxable income before these allowances



Income Tax-Individuals

Tax credit for foreign tax paid

Foreign tax paid on income subject to income tax in Cyprus may be credited against income tax payable on such income, irrespective of the existence of a tax treaty.

Income Tax-Companies

Imposition of tax

A company which is tax resident in the Republic, is taxed on income accruing or arising from sources both within and outside the Republic. A company which is not tax resident in the Republic, is only taxed on income accruing or arising from sources within the Republic.

Tax residency

A company is tax resident in the Republic if:

- ◆ it is managed and controlled from the Republic; or
- ◆ it is incorporated or registered in the Republic but is managed and controlled from outside the Republic, as long as the company is not considered a tax resident of any other country (applies from 31 December 2022).

Tax rate

The headline corporate income tax rate is 12,5%.

Exemptions

The following income is exempt from corporate income tax:

Income	Exemption
Dividend income	The whole amount

Income Tax-Companies

Exemptions

The following income is exempt from corporate income tax:

Income	Exemption
Interest income (excluding interest income arising in the ordinary course of business or closely connected with the ordinary carrying on of the business)	The whole amount
Foreign exchange (FX) gains, with the exception of FX gains arising from trading in foreign currencies and related derivatives	The whole amount
Gains arising from the disposal of Securities	The whole amount
Gains arising from a loan Restructuring	Up to the whole amount
Profits of a permanent establishment maintained outside the Republic (subject to conditions and with an election to tax)	The whole amount
Rent from a preserved building (subject to conditions)	The whole amount

Income Tax-Companies

Exemptions

The following income is exempt from corporate income tax:

Income	Exemption
Income of a company which operates in the Republic in the audio-visual industry (subject to conditions)	Up to 50%
Capital gain from the disposal of intellectual property rights under the IP regime	The whole amount

Deductible expenses

All expenses incurred wholly and exclusively for the production of income are deductible in calculating the taxable income of a company, including:

Expense	Deduction
Interest incurred for the acquisition of an asset used in the business	The whole amount
Notional interest deduction (NID) on new equity	Up to 80% of the taxable profit generated from the new equity

Income Tax-Companies

Deductible expenses

Expense	Deduction
Expenditure for the maintenance of buildings under preservation order (subject to conditions)	Depends on the size of the building
Donations to approved charitable organisations	The whole amount
Donations to political parties (subject to conditions)	Up to €50.000
Employer's contributions to approved funds on employees' salaries	The whole amount
Expenditure for scientific research, and for Research & Development	The whole amount
Investment in an innovative small/medium sized business (subject to conditions)	Up to 30% of the invested amount (capped at €150.000)
Expenditure on film infrastructure and technological equipment (subject to conditions)	Up to 20%

Income Tax-Companies

Deductible expenses

Expense	Deduction
Benefits provided to an employee and/ or their family members that have been taxed in the	The whole amount

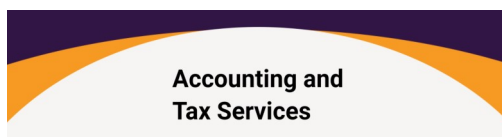
Wear and tear allowances

Companies are allowed to deduct wear and tear allowances on assets used in the business from their taxable income (page 28).

Non-deductible expenses

The following expenses are not deductible in calculating the taxable income of a company:

Expense	Non-deductible
Expenses not incurred wholly and exclusively for the production of income	The whole amount
Expenditure not supported by appropriate documentation	The whole amount



Income Tax-Companies

Non-deductible expenses

Expense

Business entertainment expenses

Non-deductible

Amount in excess of 1% of the gross income or €17.086 (whichever is lower)

Private motor vehicle expenses

The whole amount

Interest payable or deemed to be payable in relation to the acquisition of a private motor vehicle, irrespective of whether it is used in the business or not, or other asset not used in the business. This restriction ceases after 7 years from the date of acquisition of the relevant asset

The whole amount

Interest expense incurred for the acquisition of shares in a wholly owned (direct or indirect) subsidiary shall be deductible for income tax purposes provided that this subsidiary does not own (directly or indirectly) any assets which are not used in the business. If this subsidiary does own (directly or indirectly) assets that are not used in the business, the interest expense that corresponds to the percentage of assets not used in the business will not be deductible. This applies to shares acquired from 1 January 2012 onwards.

Income Tax-Companies

Non-deductible expenses

Expense

Wages and salaries relating to services offered within the tax year on which social insurance and other contributions have not been paid in the year in which they were due

Non-deductible

The whole amount

In case the contributions (including any penalties and interest) are paid within two years following the due date, such wages and salaries will be tax deductible in the tax year in which they are paid.

Losses

Losses carried forward

Companies may carry forward tax losses incurred during a tax year over the next five years to be offset against taxable income.

Group relief

Current year tax losses may be surrendered by one Cyprus tax resident group company to another. A group company which is tax resident in another EU country may also surrender current year tax losses to a Cyprus tax resident company, provided such company firstly exhausts all possibilities available to utilise its tax losses in its country of residence or in the country of any intermediary EU holding company.

Income Tax-Companies

Group relief is available if both companies are members of the same group for the entire tax year.

Two companies are considered to be part of a group for group relief purposes if:

- one is at least a 75% subsidiary of the other, or
- both are at least 75% subsidiaries of a third company.

The interposition of a non-Cyprus tax resident company does not affect the eligibility for group relief as long as such company is tax resident in either an EU country or in a country with which Cyprus has signed a tax treaty or an exchange of information treaty (bilateral or multilateral).

Where a company has been incorporated by its parent company during the tax year, this company will be deemed to be a member of the group for group relief purposes for that tax year.

Income Tax-Companies

Losses of a permanent establishment outside the Republic

Tax losses arising from a permanent establishment outside the Republic may be offset against taxable profits of the company arising in the Republic in the same year. However, any subsequent taxable profits from such a permanent establishment are taxable, up to the amount of the tax losses previously offset.

Tax credit for foreign tax paid

Foreign tax paid on income subject to income tax in Cyprus may be credited against income tax payable on such income, irrespective of the existence of a tax treaty.

Anti-Tax Avoidance Provisions

The following anti-tax avoidance provisions have been introduced in the Income Tax Law as a result of the adoption of the EU Council Directive 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.

Interest limitation rule

Excess Borrowing Cost (EBC) that exceeds 30% of taxable earnings before interest, tax, deductions and additions in respect of fixed and intangible assets used in the business (EBITDA) is not deductible for the purpose of calculating the taxable income of a company. By derogation from the above rule, the EBC is deducted up to the amount of €3.000.000 per fiscal year, per company or Cypriot group, as the case may be. Other exceptions may also apply.

Income Tax-Companies

Controlled Foreign Company (CFC) rule

The non-distributable income of a Controlled Foreign Company (CFC) or of a foreign permanent establishment arising from non-genuine arrangements which are controlled by the controlling company resident in the Republic, is added to the taxable income of the controlling company resident in the Republic, subject to certain exceptions.

Any foreign tax paid on the income of the CFC is credited against income tax payable in the Republic.

General Anti-Abuse rule (GAAR)

The GAAR provides that for the purposes of calculating the corporate tax liability, an arrangement or a series of arrangements which are non-genuine shall be ignored. Non-genuine arrangements are arrangements which are not put into place for valid commercial reasons that reflect economic reality.

Exit taxation

In certain cases, when a taxpayer moves assets (e.g. from head office to permanent establishment or vice versa) or its tax residence out of the Republic, the taxpayer shall be subject to tax on an amount equal to the market value of the transferred assets, at the time of exit, less their value for tax purposes.

The taxpayer has the right to defer the payment of the exit tax by paying it in instalments over five years.



Income Tax-Companies

Hybrid mismatches

Hybrid mismatches rules may apply to deny a deduction or tax an income in the Republic, to the extent hybrid mismatches result in double deduction or deduction without inclusion.

Special Modes of Taxation

Insurance companies

Insurance companies are generally taxable in the same way as all other companies. However, in the case where there is no tax payable or where the tax payable on the taxable income of the life business is less than 1,5% of the gross insurance premiums, then the insurance company pays the difference as additional tax.

Pension income from services rendered abroad

The pension income of any individual resident in the Republic, which arises from services rendered abroad, is taxed at a flat rate of 5% for amounts exceeding €3.420 per annum.

The taxpayer has the right to choose to be taxed either under the special mode of taxation as stated above or under the personal income tax rates (page 2). If the latter is chosen the pension is added to the individual's taxable income.

Widow's pension

The total amount of widow's pension received from the Social Insurance Fund and/or other approved pension funds is taxed at a flat rate of 20% on amounts exceeding €19.500. The taxpayer can however elect to be taxed in accordance with the personal income tax rates (page 2). In this case, the pension is added to the individual's taxable income.

Special Modes of Taxation

Variable remuneration of individuals employed in the Funds industry

The variable remuneration of employees of:

- an Alternative Investment Fund (AIF) Manager or self-managed AIF, or
- a Management company for Collective Investments in Transferable Securities (UCITS),

which is connected to the carried interest, is taxed at a flat rate of 8% with a minimum tax liability of €10.000 per annum (subject to conditions). Qualifying employees can elect to be taxed under this special mode of taxation on an annual basis for a 10-year period or otherwise be taxed in accordance with the personal income tax rates (page 2).

Income arising from intellectual property rights etc.

The gross income arising from intellectual property rights, other exploitation rights, compensations or other similar income arising from sources within the Republic, of a person who is not resident in the Republic and does not arise from a permanent establishment in the Republic, is subject to withholding tax at the rate of 10% (unless a tax treaty provides for a lower tax rate).

Royalties received by a connected company registered in a European Union Member State are exempt from withholding tax (subject to conditions).

Rights granted for use outside the Republic are not subject to any withholding tax.

Special Modes of Taxation

Film royalties

The gross income derived by a non-resident person in respect of royalties arising from film projection in the Republic is subject to withholding tax at the rate of 5% (unless a tax treaty provides for a lower tax rate).

Royalties received by a connected company registered in a European Union Member State are exempt from withholding tax (subject to conditions).

Profits of professionals, entertainers etc.

The gross income derived by an individual not resident in the Republic from the exercise in the Republic of any profession or vocation, the remuneration of public entertainers not resident in the Republic, and the gross receipts of any theatrical or musical or other group of public entertainers, including football clubs and other athletic missions from abroad, derived from performances in the Republic is subject to withholding tax at the rate of 10% (unless a tax treaty provides for a lower tax rate).

Income from Oil & Gas related activities

The gross amount or other income derived from sources within the Republic by any person who is not resident in the Republic, which does not arise from a permanent establishment in the Republic, as consideration for services carried out in the Republic with respect to the extraction, exploration or exploitation of the continental shelf, subsoil or natural resources, as well as the installation and exploitation of pipelines and other installations on the ground, the seabed or above the surface of the sea, is subject to withholding tax at the rate of 5% (unless a tax treaty provides for a lower tax rate).

Special Modes of Taxation

Income from technical assistance

The gross income arising from sources within the Republic, as consideration for technical assistance provided by any person who is not resident in the Republic, is subject to withholding tax at the rate of 10%. Such income is exempt from withholding tax if the services are provided by a permanent establishment in Cyprus.

Payment of tax withheld

Tax withheld on payments to non-Cypriot residents should be paid to the Tax Department by the end of the following month.

Interest and penalties apply in case of late payment.

Annual Wear and Tear Allowances

Annual wear and tear allowances are calculated as a percentage on the cost of acquisition of the asset used in the business and are deductible from the taxable income.

Plant and machinery	Rate
Fork lifts, excavators, loading vehicles, bulldozers and oil barrels	25%
Motor vehicles of all types except private motor vehicles (e.g. saloon cars)	20%
Personal computers (hardware) and operating software	20%
Application software	
- up to €1.709	100%
- over €1.709	33 1/3%
Plant and machinery used in agriculture*	15%
Water drillings, industrial carpets, video recorders, televisions*	10%
Any other plant and machinery*	10%
Furniture and fittings*	10%
*If acquired between 2012 - 2018	20%

Annual Wear and Tear Allowances

Buildings	Rate
Metallic frame of greenhouses	10%
Wooden frame of greenhouses	33 1/3%
Commercial buildings	3%
Industrial, agricultural and hotel buildings**	4%
**Industrial and hotel buildings acquired between 2012 - 2018	7%
Ships	Rate
Steamships, tug-boats and ships used in the fishing industry	6%
Sailings vessels	4 1/2%
Ship launching machinery	12 1/2%
Used ships	in accordance with special agreement
New commercial ships	8%

Annual Wear and Tear Allowances

Ships

Rate

New passenger ships

6%

Used commercial and passenger ships and capital additions

remaining useful economic life in accordance with the class certificate

Tools

Rate

All tools in general

33 1/3%

Specialised fixed assets

Rate

Armored cars (used by businesses which provide security services)

20%

Motor yachts

6%

Wind generators (the cost should include the cost of installation reduced by any amount of subsidy received)

10%

Photovoltaic systems (the cost should include the cost of installation reduced by any amount of subsidy received)

10%

Annual Wear and Tear Allowances

Specialised fixed assets	Rate
New airplanes	8%
New helicopters	8%
Specialized machineries for rail roading (e.g. Locomotive engines, Ballast wagon, container wagon and container sleeper wagon)	20%
Intangible assets	Rate
Intangible assets with certain exceptions *	5% - 100%

*The capital cost of any intangible asset, excluding goodwill, is tax deductible as a capital allowance over the useful economic life of the asset, as determined by acceptable accounting principles (with a maximum useful life of 20 years).

Profits from Intellectual Property (IP)

According to the IP regime, qualifying intangible asset means an asset which was acquired, developed or exploited by a person in the course of carrying on a business and which constitutes intellectual property, other than marketing-related intellectual property, and which is the result of research and development activities, including an intangible asset for which there is only economic ownership.

In calculating the taxable profit, an 80% deemed deduction applies to the profit from the exploitation of such qualifying intangible assets which is calculated based on a specific formula that follows the “nexus approach”.

Capital gains arising from the disposal of a qualifying asset are not included in the qualifying profits and are fully exempt from income tax.

Where the calculation of qualifying profits results in a loss, only 20% of this loss may be carried forward or group relieved.

The taxpayer may choose to forego the whole or part of the deduction in each year of assessment.

Capital allowances can be claimed on the cost of any qualifying intangible asset.

Profits from Shipping Activities

The following are exempt from taxation in accordance with the provisions of the Merchant Shipping (Fees and Taxing Provisions) Law and are subject to tonnage tax:

- The income of a qualifying ship-owner from the operation of a qualifying Cyprus, community and/or foreign ship (under conditions), in a qualifying shipping activity.
- The income of a qualifying charterer from the operation of a qualifying Cyprus, community and/or foreign ship (under conditions), in a qualifying shipping activity.
- The income of a qualifying ship operator from the provision of ship management services of the crew and/ or technical administration services.
- Dividends paid directly or indirectly from the profits mentioned above.
- Salaries or other benefits paid to the masters, officers and the crew of a qualifying Cyprus or Community flag ship in a qualifying shipping activity.

For the purpose of the above-mentioned Law in the case of a Cyprus ship, the term “ship owner” includes also the bareboat charterer.

Special Contribution for Defence

The persons that are subject to Special Contribution for Defence (“SDC”) are:

- Cyprus tax resident companies
- Individuals who are tax resident and domiciled in Cyprus

SDC is imposed on the following sources of income at the rates indicated below:

Income	Rate
Dividend income	17%
Interest income	30%
Interest received or credited from savings certificates and development bonds of the Republic of Cyprus, corporate bonds listed on a recognised Stock Exchange and bonds listed on a recognised Stock Exchange, that are issued by a local authority or State organisation.	3%
Interest earned by an approved provident fund	3%
Interest earned by the Social Insurance Fund	3%
Rental income less 25%	3%

Special Contribution for Defence

Dividends

The following dividend income is exempt from SDC:

- Dividends received by a company resident in the Republic from another company resident in the Republic, excluding dividends paid indirectly after the lapse of 4 years from the end of the year in which the profits which were distributed as dividends were generated.
- Dividends received directly or indirectly from dividends on which SDC has already been paid.
- Dividends received by a company resident in the Republic or a company not resident in the Republic which maintains a permanent establishment in the Republic from a company which is not resident in the Republic.

This exemption does not apply if:

- a) More than 50% of the activities of the non-resident dividend paying company lead to investment income; and
- b) The foreign tax burden on the income of the dividend paying company is substantially lower than the tax burden of the Cyprus tax resident company or the non-resident company which has a permanent establishment in the Republic.

Special Contribution for Defence

Interest income

Interest earned as a result of the ordinary carrying on of the business (including interest closely connected to the ordinary carrying on of the business) and interest earned by a collective investment scheme is not considered interest for SDC purposes and is therefore exempt from SDC.

An individual whose total annual income, including interest, does not exceed €12.000, who received interest which has been subject to SDC, has the right to a refund of the amount of SDC suffered in excess of 3%.

Deemed distribution

A company resident in the Republic is deemed to have distributed 70% of its profits after taxation in the form of dividends at the end of the two years from the end of the tax year in which such profits were generated. SDC is imposed to the extent that the ultimate direct/indirect shareholders of the company are Cyprus tax resident and domiciled individuals.

For the purpose of calculating the amount of the deemed distribution, the term “profits” means the accounting profits arrived at using generally acceptable accounting principles, after the deduction of any transfers to reserves as specified by any law. Any losses brought forward, group relief losses as well as any amounts which emanate from the revaluation of movable and immovable property, including any additional depreciation, are ignored.

Special Contribution for Defence

Deemed distribution

The term “taxation” includes the following taxes:

- Corporate income tax (which includes charges of additional tax);
- SDC;
- Capital gains tax; and
- Foreign tax paid that has not been credited against income tax and/or SDC payable for the relevant year.

The amount of deemed dividend is reduced by the amount of actual dividend distributed during the year the profits were generated, or the following two years.

In case where an actual dividend is paid after the deemed dividend distribution date, any deemed distribution reduces the actual dividend on which SDC is payable.

In the case of an individual who is not resident or non-domiciled in the Republic receiving dividends from a company which is resident in the Republic, emanating from profits which at any stage were subject to deemed distribution, the SDC paid as a result of the deemed distribution which is attributable to such person is refundable.

Special Contribution for Defence

Deemed distribution

The deemed distribution provisions do not apply to profits arising either from a loan Restructuring, subject to conditions, or a reorganisation.

In addition, the deemed distribution provisions do not apply to accounting profits arising in the years 2017 to 2020 which result from the write-off of part or of the whole amount of a loan that was a non-performing loan on or before 31 December 2015.

Disposal of assets to shareholders at less than market value

In the case where a company disposes an asset to its Cyprus tax resident and domiciled shareholder (individual) or to his/her relative of up to second degree of kindred or his/ her spouse, without consideration or for a consideration which is less than the market value of the asset disposed, it is deemed that the company has distributed dividends to its shareholder, equal to the difference between the market value of the asset and the amount of the consideration.

The above provision will not apply in case the asset was initially received by the company by way of a gift from its shareholder (individual) or from his/her relative of up to second degree of kindred or from his/her spouse.

Special Contribution for Defence

Company dissolution

The aggregate profits of the last five years prior to a company's dissolution, which have not been distributed or deemed to be distributed, will be considered as distributed on dissolution and will be subject to SDC.

Companies that are under voluntary dissolution or liquidation are obliged to submit within one month from the date of the approval of the resolution, a deemed dividend declaration and pay any SDC in relation to the profits of the specific tax year and the two preceding years.

The deemed dividend distribution provisions do not apply on any accounting profits arising during the dissolution or liquidation if the assets of the company are not sufficient for the repayment of its creditors and no amount is available to be distributed to its shareholders.

Where assets are distributed to the company's shareholders upon the company's liquidation or dissolution, which have a market value that exceeds the cost of their acquisition by the company, the deemed distribution provisions will apply. The amount of the dividend that is deemed to be distributed to its shareholders will be equal to the difference between the market value of the assets and the cost of acquisition of the particular asset by the company.

Special Contribution for Defence

Company dissolution

The deemed dividend distribution of profits that become realised upon the company's dissolution or liquidation may not exceed the amount of the net assets distributed to the shareholders.

These provisions do not apply in the case of dissolution under reorganisation, in accordance with certain prerequisites set out in the relevant Regulations, or where the shareholders are not resident or non-domiciled in the Republic.

Reduction of capital

In the case of a company's capital reduction, any amounts paid or due to shareholders that are individuals, in excess of the amount of the share capital that was actually paid by the shareholder, will be treated as a deemed dividend subject to SDC provided that the shareholders are Cyprus tax resident and domiciled individuals.

The buy back or redemption of units or other ownership interests in an open-ended or closed-ended collective investment scheme is not considered a capital reduction and is not subject to SDC.

Tax credit for foreign tax paid

Foreign tax paid on income subject to SDC may be credited against SDC payable on such income irrespective of the existence of a tax treaty.

Capital Gains Tax

Capital gains tax is imposed at the rate of 20% on:

- Gains from the disposal of immovable property situated in the Republic
- Gains from the disposal of shares of companies not listed on a recognised stock exchange which own immovable property situated in the Republic
- Gains from the disposal of shares of companies which indirectly own immovable property situated in the Republic and derive at least 50% of their market value from such immovable property.

In computing the capital gain, the following are deducted from the sale proceeds:

- The value of the immovable property as at 1 January 1980 or cost if the date of acquisition is later, as adjusted for inflation.
- The cost of any additions after 1 January 1980, or the date of acquisition if later, as adjusted for inflation.
- Expenditure incurred wholly and exclusively for the production of the gain (e.g. transfer fees, approved real estate agent commission, interest expense).

Exemptions

The following disposals of immovable property are exempt from capital gains tax:

- Transfer on death
- Gifts between spouses, parents and children and relatives up to third degree of kindred

Capital Gains Tax

- Gift from a foster parent to a foster child
- Gift to a company whose shareholders are members of the donor's family and continue to be members of the family for a period of five years from the date of the gift
- Gift by a family company to its shareholders, if the company had also acquired the property in question via donation. However if the shareholder disposes the property within 3 years then the shareholder will not be entitled to the allowances listed on page 43
- Gift to a charitable organisation or to the Republic or to a political party
- Exchange or disposal under the Agricultural Land (Consolidation) Laws
- Exchange, provided the gain is used for the acquisition of new property. The gain derived from the exchange reduces the cost of the new property and the tax is paid when the latter is disposed
- Expropriations
- Transfer of ownership or share transfers in the event of company reorganisations
- Transfer of property of a missing person under administration
- Transfer of ownership between spouses that their marriage has been dissolved by a court order or in case of transfer of ownership between the same persons for the purpose of settling their property according to the Settlement of Property Relationships between Spouses Law
- Transfer under a qualifying loan Restructuring (subject to conditions)

Capital Gains Tax

- Transfer of shares listed on a recognised stock exchange as well as disposal of units in an Alternative Investment Fund (AIF) or Open-Ended Undertaking for Collective Investment (UCIT), whose establishment and operation is governed by the respective Cypriot laws on AIFs and UCITs, that are listed on a recognised stock exchange.

Allowances

Individuals are entitled to deduct from the capital gain the following lifetime allowances:

	€
Disposal of principal private residence (subject to conditions)	85.430
Disposal of agricultural land by a farmer	25.629
Other disposals	17.086

Administrative penalties

Administrative penalties amounting to €100 or €200, depending on the specific case, are imposed for late submission of declarations or late submission of supporting documentation requested by the Commissioner.

Interest and penalties apply in case of late payment of the capital gains tax.

Levy of 0,4% on Immovable property disposals in Cyprus

For the purposes of providing financial support to the owners of immovable property that is inaccessible or its economic exploitation is practically or legally impossible as a result of the Turkish invasion, as of 22 February 2021 a levy of 0,4% is imposed as follows:

- 1) on the sale of immovable property, for which a general value has been determined by the Department of Lands and Surveys, the seller shall pay a levy equal to a percentage of 0,4% of the sale proceeds; and
- 2) on the sale of shares of a company, which is not listed on a recognised Stock Exchange, and which directly or indirectly owns immovable property for which a general value has been determined by the Department of Lands and Surveys, the seller shall pay a levy equal to a percentage of 0,4% on the latest valuation of the immovable property by the Department of Lands and Surveys, corresponding to the shares of the company that are being sold.

Maintenance of Accounting Books and Records

Every person (individual, company or partnership) deriving income from the following sources:

1. Profits or other benefits from any business; or
2. Dividends, interest or discounts; or
3. Income from leasing, intellectual property rights, patent rights or other profits arising from ownership; or
4. Trade goodwill

is obliged to:

- Issue receipts and invoices, as specified by relevant Regulations. Invoices should be issued within 30 days from the date of the transaction unless a written approval has been obtained by the Commissioner for the purpose of issuing the invoices at a later date. In case where invoices are not issued within the prescribed deadline, a penalty of €100 per month will be imposed.
- Maintain accounting books and records and prepare financial statements that are audited in accordance with acceptable auditing standards, by a person that is eligible to act as an auditor of a company in accordance with the Companies Law. The Tax Commissioner can exempt a person from this obligation and alternatively request the submission of other information for examination purposes.

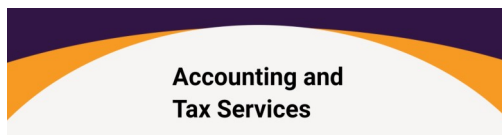
Maintenance of Accounting Books and Records

- Update its accounting books and records within four months from the date of the transactions. In the case where accounting books and records are not updated within the prescribed deadline, a penalty of €100 per quarter will be imposed.

As of 1 January 2023, enterprises that satisfy certain thresholds are allowed to submit their financial statements to a limited assurance review as opposed to a full audit. These are:

- ◇ Companies whose net turnover and total balance sheet does not exceed €200.000 and €500.000 respectively, for at least two consecutive years.
- ◇ Individuals whose annual turnover and any other income from sources defined in article 5(1)(c), 5(1)(f), 5(1)(g) or in article 5(2)(d) and 5(2)(e) of the Income Tax Law exceed €70.000 but do not exceed €200.000, and whose total balance sheet does not exceed €500.000, for at least two consecutive years.

Individuals whose turnover and total balance sheet exceed the above limits, are still required to have their Financial Statements subjected to a full audit.



Maintenance of Accounting Books and Records

Individuals carrying on a business are exempt from the obligation to maintain accounting books and records and prepare audited financial statements if their annual gross income does not exceed the amount of €70.000 (including business income).

Accounting books and records should be kept for a period of at least six years.

Value Added Tax

Imposition of tax

Value Added Tax is imposed on the supply of all goods and services in Cyprus, on the acquisition of goods from other Member States and on the importation of goods from third countries.

Rates

Standard rate	19%
Reduced rate	9%
Reduced rate	5%
Zero rate	0%

Standard rate

The standard rate applies to the supplies of all goods and services in Cyprus which are not subject to the zero rate, the reduced rates or are not exempt.

Reduced rate 9%

The reduced rate of 9% applies to:

- All restaurant and catering services (including the supply of alcoholic drinks, beer, wine and soft drinks).
- Accommodation in hotels, tourist lodgements and any other similar lodgements including the provision of holiday lodgements.

Value Added Tax

Reduced rate 9%

- Transportation of passengers and their accompanying luggage within the Republic using urban, intercity and rural taxis and tourist and intercity buses.
- Movement of passengers in inland waters and their accompanying luggage.
- Provision of services and supply of goods by nursing homes, which are not exempt transactions.

Reduced rate 5%

The reduced rate of 5% applies to:

- The supply of foodstuff.
- The supply of prepared or unprepared foodstuff and/ or beverages (excluding alcoholic drinks, beer, wine and soft drinks) or both, irrespective of whether the goods are delivered from the supplier to the customer or taken away by the customer.
- The supply of pharmaceutical products and vaccines that are used for health care, prevention of illnesses and as treatment for medical or veterinary purposes.
- The supply of live animals used for the preparation of food.
- Books, newspapers and magazines
- Entry fees to theatres, circus, festivals, luna parks, concerts, museums etc.

Value Added Tax

Reduced rate 5%

- Entry fees at sports events and fees for using athletic centres.
- Hairdressing services.
- Renovation and repair of private households after three years of first residence.
- Supply of catering services from school canteens.
- Acquisition or construction of residence.

Zero rate

The zero rate applies to:

- The exportation of goods.
- Supply, modification, repair, maintenance, chartering and hiring of sea-going vessels, which are used for navigation on the high seas and carrying passengers for reward or used for the purpose of commercial, industrial or other activities.
- Supply, modification, repair, maintenance, chartering and hiring of aircrafts, used by airlines operating for reward mainly on international routes.

Value Added Tax

Zero rate

- Supply of services to meet the direct needs of sea going vessels and aircrafts.
- Transportation of passengers from the Republic to a place outside the Republic and vice versa using a seagoing vessel or aircraft.
- Supplies of gold to the Central Bank of the Republic.
- International passenger transportation to the extent it takes place within Cyprus territory.

Exemptions

Exempt supplies include:

- Rental of immovable property for residential purposes
- Financial services (with certain exceptions).
- Hospital and medical caring services.
- Postal services.
- Insurance services.
- Disposal of immovable property where the application for building permission has been submitted prior to 1 May 2004.
- Educational services at all levels of education under certain conditions.

Value Added Tax

Obligation for registration

Every individual or company is obliged to register if:

- a) at the end of any month, the value of taxable supplies recorded in the last 12 months exceeds €15.600; or at any point in time the value of taxable supplies are expected to exceed €15.600 in the next 30 days;
- b) provides services to a VAT registered person within the European Union with nil registration threshold;
- c) is involved in the acquisition of goods from other EU member states (relates to persons who offer exempt supplies of goods and services or are non-profitable organisations) with registration threshold of €10.250;
- d) is established in Cyprus and offers zero rated supplies of goods or services;
- e) acquires a business on a going concern basis;
- f) is established abroad and makes distance sales of goods to Cyprus (i.e., sales of goods to individuals in Cyprus from abroad) which exceed €10.000 and does not opt to make use of the simplified One Stop Shop (OSS) scheme.
- g) is established in Cyprus and performs cross border sales of goods and certain services to individuals established in other EU Member States and the value of these sales exceeds €10.000.

Value Added Tax

Persons not established in Cyprus (legal entities or individuals), who are engaged in taxable activities in Cyprus, are obliged to register for VAT purposes (i.e., no threshold applies).

Right for registration

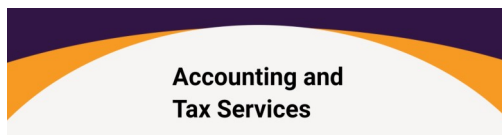
- Persons who trade outside the Republic in goods or services which would have been taxable if they were provided within the Republic,
- groups of companies, and
- divisions of companies.

VAT returns and payment / refund of VAT

Any registered person has to submit to the Commissioner a VAT return not later than the 10th day from the end of the month following the end of each VAT period and pay the VAT due.

Payment of the VAT due can be made at the cashier's desk of any commercial bank, by bank transfer to the Central Bank, as well as via the "Internet Banking" platform of selected banking institutions.

All taxable persons have to submit their quarterly VAT returns online, via the Taxisnet system.



Value Added Tax

A claim for a VAT refund is made electronically by completing Form 4B via the Taxisnet system.

Every taxable person who makes a claim for VAT refund will be entitled to a repayment of the VAT amount with interest, in the event that the repayment is delayed for a period exceeding four months from the date of the submission of the claim.

In case a VAT audit regarding the claim is conducted by the Commissioner, the period of four months is extended to eight months.

VAT refunds are made via bank transfer. In order to obtain the refund, Form T.D.1900 must be completed and submitted to the relevant district VAT office along with an IBAN certificate or equivalent documentation issued by the bank showing the bank details.

VAT refunds will be suspended where income tax returns have not been submitted by the submission date of the VAT refund claim. In addition, no interest will be payable on a VAT refund for the period during which the refund is suspended. Furthermore, VAT refund applications cannot be submitted after six years from the end of the relevant tax period.

Value Added Tax

Administration of intra-community trading and intra-community services

Businesses that undertake intra-community trading, i.e. acquisitions and sales of goods and supply of services from/ to EU member states need to complete the following forms:

Intra - Community Acquisitions

1. Intrastat - Arrivals of Goods
2. Inclusion in the VAT return (on a total basis)

Intra - Community Supplies

1. Intrastat - Departures of goods
2. Recapitulative statement for supplies of goods and services (VIES form)
3. Inclusion in the VAT return (on a total basis)

Value Added Tax

Intrastat submission process

INTRASTAT forms are submitted to the Tax Department within 10 days from the end of the related month, in electronic form only, provided that the supplies of a taxable person exceed the registration threshold for Intrastat purposes.

The Recapitulative statement is submitted to the Tax authorities within 15 days from the end of the related month in electronic form.

Penalties and interest

Late registration	€85 for every month of delay
Late submission of VAT return	€100 for each return
Late payment of VAT	10% of amount due plus interest
Late de-registration	€85 one-off
Late submission of Intrastat form	€15 for each return
Late submission of Recapitulative statement (VIES return) for supplies	€50 for each statement

Value Added Tax

Tax Tribunal/Appeals

The right of taxable persons to appeal to the Minister of Finance has been abolished and replaced with their right to submit a hierarchical appeal to the Tax Tribunal.

The hierarchical appeal should be filed within 45 days from the date of the notification to the taxable person of the relevant decision or act of the Commissioner (may be extended subject to the approval of the Tax Tribunal).

Appeals may also be made to the Tax Commissioner within 60 days from the date of issue of the tax assessment.

Sale or transfer of a new building

The sale and/or transfer of a new building is subject to VAT at 5% or 19% (depending on the case of the purchaser).

As from 11 November 2022, a building that is sold or transferred for the first time within five years of its completion date is considered a new building. In addition, any subsequent sales or transfers made within the first five years since its completion date will be considered as a sale or transfer of a new building provided there was no actual use of the building by an unrelated person for a period of at least twenty-four months.

Value Added Tax

Imposition of 19% VAT on the letting of immovable property for business purposes

VAT at the rate of 19% is imposed on the leasing and/or letting of immovable property to a taxable person for the purposes of carrying on taxable activities.

The leasing of buildings used as residences remains an exempt transaction for VAT purposes.

The lessor has the right to notify the Tax Commissioner by submitting a relevant form (R 1220), to opt for the non-imposition of VAT to the lessee of the immovable property, subject to the terms and conditions specified in the relevant Notification of the Tax Commissioner.

The decision of the lessor to opt for the non-imposition of VAT is irrevocable.

Long-term lease of immovable property

The long term leasing of immovable property which essentially gives the lessee the right to sell the property as owner or the right to sell the property is considered as a supply of good and not as a supply of service and is subject to VAT at 5% or 19% (depending on the case of the purchaser).

Value Added Tax

The imposition of VAT does not cover cases where the right of the immovable property is transferred after its first occupation and is therefore not subject to VAT.

Imposition of 19% VAT on non-developed building land

The rate of 19% is imposed on the transfer of non-developed building land. Specifically, VAT is imposed on the transfer of ownership, transfer of indivisible land portion, transfer of ownership under a sale agreement or an agreement which specifically provides that the ownership will be transferred on a future date or by virtue of a leasing agreement with the right to buy non-developed building land which is intended for the construction of one or more structures in the course of carrying out a business activity.

Non-developed building land includes all non-developed land plots that are intended for the construction of one or more structures. This definition includes non-developed building land that is either covered or not from the water supply and covers land plots of all types as listed below:

- Land plots under development
- Finished land plots
- Land plots with a final approval certificate
- Land plots with land title

Value Added Tax

Other types of land plots are also included in the list of non-developed building land.

However, the purchase of land for the sole purpose of constructing a dwelling to be used as the principal and permanent place of residence of an individual will be subject to 5% VAT. Individuals who had initially been charged by property developers with 19% VAT for the purchase of a plot of land that was ultimately used to construct the principal and permanent residence of that individual are entitled to a refund of 14% of the VAT originally paid (the difference of the standard rate of 19% and the reduced rate of 5%).

Imposition of the reduced rate of 5% on the acquisition and/or construction of residences for use as the primary and permanent place of residence

The reduced rate of 5% applies to the acquisition and/or construction of residences to be used by eligible persons (residents of the Republic or/and other EU member states or other non-EU member states) as the primary and permanent place of residence, only after obtaining a certified confirmation from the Commissioner.

The statutory declaration may be filed at any stage at the time of construction of the residence or in case of supply prior to the eligible person obtaining possession.

Value Added Tax

Furthermore, the reduced rate of 5% applies only for the first 200 square meters of the residence's buildable area as determined by the building coefficient.

In case of families with more than three children the allowable total covered area increases respectively.

A person who has exercised the right to purchase a residence with a reduced rate of VAT is eligible to exercise this right again for the purposes of the purchase of another residence before ten years have elapsed, only if:

- that person has ceased to use the residence as the primary and permanent place of residence before the period of ten years has elapsed;
- has notified the Tax Commissioner accordingly, and
- has paid the difference in the VAT between the reduced VAT rate and standard VAT rate as were applicable during the time of delivery or construction of the residence.

Value Added Tax

Imposition of the reduced rate of 5% on the renovation and repair of private residential homes

The reduced VAT rate of 5% on the renovation and repair of private residential homes applies to all the residential homes. The renovation and repair consist of plumbing, electrical, carpentry, painting, building and construction work. It also applies to such services provided for the purposes of making additions to private residences. The reduced rate applies provided at least three years have passed since the first use of the private residence. In case the value of the materials exceeds the total value of the supply by more than 50%, the value of the materials is subject to the standard rate of VAT.

Application of Reverse Charge for certain domestic acquisition of goods and services

Taxable persons who purchase the following goods and services for business purposes must account for VAT in Cyprus based on the reverse charge provisions as per Articles 11B – 11F of the VAT Law:

- **Article 11B**

Certain services and in some cases goods provided with the services for the purposes of the construction, demolition, repair, or maintenance of any civil engineering project.

Value Added Tax

- **Article 11C**

Supply of Scrap metal.

- **Article 11D**

The transfer of immovable property from a borrower to a lender when the transfer is made in the framework of a loan restructuring or under a forced transfer procedure.

- **Article 11E**

Goods falling under the below categories:

- Mobile phones;
- Integrated circuit mechanisms, such as microprocessors and central processing units, prior to their integration into end-user products; and
- Game consoles, computer tablets and laptops.

- **Article 11F**

The supply of certain unprocessed and semi-processed precious metals.

For all the above transactions, the supplier must therefore not charge the customer VAT on its invoice and also include the VAT number of the customer on the invoice. The customer therefore, has the obligation to account for VAT based on the reverse charge provisions.

Social Insurance and other Contributions

Contributions to the Social Insurance and other funds

Contributions to the social insurance and other relevant funds are calculated on gross emoluments at the following rates:

	Employer	Employee	Self-employed
	%	%	%
Social Insurance Fund	8,3	8,3	15,6
Redundancy Fund	1,2	-	-
Industrial Training Fund	0,5	-	-
Social Cohesion Fund	2,0	-	-

Income limits

The above rates (excluding the rate applicable to contributions to the Social Cohesion Fund) are applied on the employee's gross emoluments subject to the following upper limits:

	per week	per month	per annum
	€	€	€
Weekly employees	1.155	-	60.060
Monthly employees	-	5.005	60.060

Social Insurance and other Contributions

Contributions to the Social Insurance and other funds

The amount of contributions payable by self-employed individuals is subject to a lower and an upper weekly limit depending on the occupation of the self-employed individual.

	Lower Weekly Limit	Upper Weekly Limit
	€	€
Self - employed individuals	Depends on occupational category	1.155

Payment deadline for employers

The contributions that the employer is obliged to pay, should be paid not later than the end of the month following the month that the contributions relate to. Payments are made via the online portal for the payment of social insurance contributions, SISnet.

Payment deadline for self-employed individuals

Months that the contributions relate to	Date
January - March	10th day following the end of the month following the end of each quarter
April - June	
July - September	
October - December	

Social Insurance and other Contributions

Additional charge for late payment of contributions

Every employer or self-employed individual who fails to pay the contributions within the deadline, is obliged to pay an additional charge in the range of 3% to 27%, depending on the period of delay, calculated on the amount of contributions due for payment. Late payments of contributions can only be made at the District Offices of the Social Insurance Services.

Contributions to the General Healthcare System (GHS)

GHS contributions are calculated and paid as a percentage on the gross emoluments/pensions as follows:

Contributor's category	Rate %
A. Employees / pensioners / income earners / persons holding an office	2,65
B. Employers	2,90
C. Self-employed individuals	4,00
D. The Republic or natural / legal person responsible for the remuneration of	2,90
E. The Republic	4,70



Social Insurance and other Contributions

Contributions to the General Healthcare System (GHS)

Income limit

For the purposes of calculating the GHS contributions, gross emoluments are capped to €180.000 per annum (with the exception of categories (D) and (E)).

Transfer Fees for Immovable Property

Transfer fees

Transfer fees are paid by the acquirer to the Department of Land and Surveys on transfers of immovable property. The transfer fees are calculated on the market value of the property as estimated by the Department of Land and Surveys at the following rates:

Market Value	Rate	Fees	Cumulative Fees
€	%	€	€
0 - 85.000	3	2.550	2.550
85.000 - 170.000	5	4.250	6.800
Over 170.000	8		

The above rates are reduced by 50% except in the case of transfers under Part VI and Part VIA of the Transfers and Mortgages of Immovable Property Law.

In the case of free transfers of property between the following parties, the transfer fees are calculated on the value of the property as at 1 January 2013 at the following rates:

- from parents to children 0%
- between spouses 0,1%
- between third degree relatives 0,1%

Transfer Fees for Immovable Property

Exemptions from transfer fees

The following transfers are exempt from transfer fees:

- under a qualifying reorganisation
- under a qualifying loan Restructuring
- in the context of bankruptcy, liquidation, disposal of mortgaged immovable property by the lender, where the sales proceeds do not exceed the amount of €350.000 per owner
- transfers that are subject to VAT.

Stamp Duty

Documents relating to property situated in the Republic or to any matters or issues executed or performed in the Republic are subject to stamp duty as follows:

Type of document	Amount/ Rate
Letters of guarantee	€4
Letter of credit	€2
Receipts for amounts over €4	€0,07
Customs documents	€18/€35
Bills of lading	€4
Bills of exchange (payable at sight on first demand or within 3 days from demand or sight)	€1
Charter hire document	€18
General power of attorney	€6
Special power of attorney	€2
Certified copies of contracts and documents	€2
Will	€18
Estate administration document	€9

Stamp Duty

Type of document	Amount/ Rate
Contracts with a specified consideration	
• For amounts up to €5.000	0%
• For amounts between €5.001 - €170.000	0,15%
• For amounts over €170.000	0,2% (Maximum duty €20.000)
Contracts without a specified consideration	€35
Issue of tax residency certificate by the Tax Department	€80

Exemptions

Documents relating to transactions that take place in relation to a company reorganisation or loan Restructuring are exempt from stamp duty.

Registrar of Companies Fees

Action	Amount
Registration of a limited company by shares or guarantee, with share capital	€105
Registration of a company without share capital	€175
Registration of an increase in the company's share capital	€40
Registration of issue of shares where the value of the shares issued is payable in cash or in kind	€20
Change of company name	€40
Reduction of capital	€80
Application for registration of a general or a limited partnership	€120
Application for registration of a business name	€80
Filing with the Registrar of the following document:	
• Annual Report	€20
• Annual Report which is overdue	€50 + €1 for each day of delay for the first six months and €2 thereafter up to a maximum of €500
Notification of a registered mortgage on immovable property in the Republic irrespective	€20

Registrar of Companies Fees

Registration of a charge apart from a mortgage on immovable property within the Republic:

Action	Amount
a) On the form of notification of the charge	€40
b) On the charge document securing maximum amount:	
• For a sum of money up to €17.086	€100
• For a sum of money exceeding €17.086 but not over €34.172	€200
• For a sum of money exceeding €34.172 but not over €85.430	€340
• For a sum of money exceeding €85.430 but not over €170.860	€500
• For a sum of money over €170.860 where no amount is mentioned	€600

Company Annual levy

All companies registered in the Cyprus company register must pay an annual levy of €350. In the case of a group of companies the total amount payable is capped at €20.000.

Registrar of Companies Fees

Company Annual levy

- The annual levy is payable from the year of incorporation.
- The annual levy is payable to the Registrar of Companies by 30 June of each year.
- Late payment of the levy will give rise to the following penalties:
 - 1) 10% penalty for delays up to two months;
 - 2) 30% penalty for delays between two and five months.
- Non-payment of the levy may result in deregistration (strike-off) of a company by the Cyprus Registrar of Companies (which will not allow the company to submit documents or request certificates from the Registrar of Companies).
- If a company is re-instated within a two year period from its strike-off, a fixed penalty of €500 (in addition to the outstanding amount of the levy) is imposed. The fixed penalty will be increased to €750 where a company is re-instated after the two year period.