

Cyprus Tax Alert

Limassol, 6th July 2023

PROVISIONAL TAX RETURNS

WHO NEEDS TO SUBMIT A PROVISIONAL TAX RETURN?

- Companies that are expecting a taxable income in the year and a resulting income tax liability after setting off taxable losses brought forward
- Companies that are expecting a taxable income in the year which is set off by overseas tax credits, resulting in no tax liability
- Individuals earning non employment income which exceeds the threshold tax free limit of EUR19.500

WHEN AND HOW THE PROVISIONAL INCOME TAX IS PAYABLE?

- First instalment is payable through the tax portal by the 31st July 2023
- Upon payment, certain information needs to be completed. TIC, tax year, taxable income and temporary tax (total and instalment)
- Second instalment is payable by 31st December 2023

PENALTIES / INTEREST FOR LATE OR INSUFFICIENT PAYMENT

- Penalty of 5% of the tax due for late payment
- Interest at the rate of 1.75% per annum from the due date to the date of payment (interest is charged on a monthly basis) for late payment
- If the provisional income declared is less than 75% of the final taxable income, an additional amount of 10% will apply on the difference between the final tax due and the provisional tax paid.

REVISED PROVISIONAL TAX RETURNS

- Revised provisional tax returns are feasible but interest is chargeable on the difference of each instalment

In case of any further clarification please do not hesitate to contact us.

Our contact details:

Nicholas Stavrinides
nicholas.s@pkf.com.cy
+357 25 868 000
229, Arch. Makarios III Ave.
Meliza Court 6th Floor
3105 Limassol
Cyprus