



SECOND PROVISIONAL TAX 2022

According to the Cyprus Income Tax Law, legal entities and self-employed have an obligation to apply a temporary tax assessment of their expected annual taxable income for the year 2022.

The deadline for the submission and payment of the tax assessment are on or before following date:

- **31st of December 2022**

If provisional tax payments were made based on an incorrectly calculated yearly taxable profit, then there should be an amendment before the end of the current tax year, **31st December 2022**.

Entities that do not plan to make a profit in 2022, are NOT obliged to submit a provisional tax return.

Penalties for Late Submission

As per the article 50A(e) of the Assessment and Collection of Taxes Law No.4 1978, entities are subject to a 5% penalty plus interest of 1.75% on the payable amount if they pay after the deadline.

Get in touch with us if you require assistance! +35725332177 | info@accyp.com



CLARIFICATIONS FOR THE IMPOSITION OF THE 0,4% CONTRIBUTION ON CYPRUS IMMOVABLE PROPERTY DISPOSALS

As a reminder, a contribution of 0,4% is imposed on the sale of immovable property located in the areas controlled by the Republic and on the sale of shares in a company that owns such immovable property, provided that the buyer takes control of the company.

The law provides the following clarifications:

- The responsible body for the collection of the contribution of 0,4% is the Tax Commissioner, who issues a relevant payment certificate upon the transfer of immovable property or the transfer of shares. As such, Form T.D. 401 (2022) "Declaration of sale of immovable property" and Form T.D. 402 (2022) "Declaration of sale of shares" have been amended to include the calculation of this contribution.
- The contribution is not imposed for loan restructurings and company reorganisations.
- It is also not imposed in cases where:
 - An immovable property deed of sale has been submitted to the Department of Lands and Surveys, or
 - A form for the transfer of shares has been submitted to the Registrar of Companies and Intellectual Property, with a date of transfer before the 22nd of February 2021 (the effective date of the Central Agency of Equal Burden Distribution Law of 2021).
- The Tax Commissioner has all the powers, responsibilities and obligations, including the imposition of administrative fines and other administrative sanctions, including penalties and additional fees, as specified in the Assessment and Collection of Taxes law, the Collection of Taxes law and the Capital Gains Tax law, as well as for the resolution of any issues that may arise.

In addition to the amending law, an announcement was issued by the Tax Department which informs taxpayers that for sales regarding the period from 22 February 2021 to 18 November 2022, the Tax Commissioner intends to grant a reasonable time period to settle the relevant obligation without imposing interest and penalties. A related announcement will be issued at a later time and thus taxpayers are advised to wait until then, before they settle their obligation.



EXTENSION OF THE DEADLINE FOR PAYMENT OF THE ANNUAL COMPANY LEVY FOR THE YEAR 2022

The Department of the Registrar of Companies announces the passing of the Companies (Amendment) (No.3) Law of 2022 (N.96(I)/2022), according to which the deadline for payment by registered companies of the Annual Fee for the year 2022 is extended until **December 31, 2022**, without the imposition of an additional charge.

The above Law is deemed to have entered into force on June 30, 2022.

The payment can be made online through JCCSMART platform <https://www.jccsmart.com>.

It is noted that, for a refund of any charge imposed from July 1, 2022 until July 4, 2022 due to late payment of the Annual Fee for 2022, the applicant should submit the KE1 form (Refund of Fees) to the Department's Funds.



SUSPENSION OF ACCESS TO THE BENEFICIAL OWNERS REGISTER FOR THE GENERAL PUBLIC

The Department of Registrar of Companies and Intellectual Property announces that, following the Judgement of the Court of Justice of the European Union (CJEE) in joined cases C-37/20 and C-601/20, of November 22, 2022, access to the Register of Beneficial Owners for the general public is suspended as of the 23rd of November 2022.

According to the above-mentioned Judgement of the CJEE, Article 1, point 15(c) of Directive (EU) 2018/843 of the European Parliament and the Council, of 30th May 2018, which provides for access to the information on the beneficial ownership of legal entities to any member of the general public, is invalid as it constitutes a serious interference with the fundamental rights of respect for private life and to the protection of personal data, enshrined in Articles 7 and 8 respectively, of the Charter of Fundamental Rights of the European Union.

The relevant information to the competent and supervisory authorities and the Unit as referred in article 12 of Directive R.A.A. 112/2021 and amending Directive R.A.A. 116/2022, will continue to be provided with the applicable procedure.

The relevant information will, also continue to be provided to the obliged entities, with the applicable procedure by submitting additionally a solemn declaration confirming that the information on the Beneficial Owners is requested within the context of performing customer due diligence.

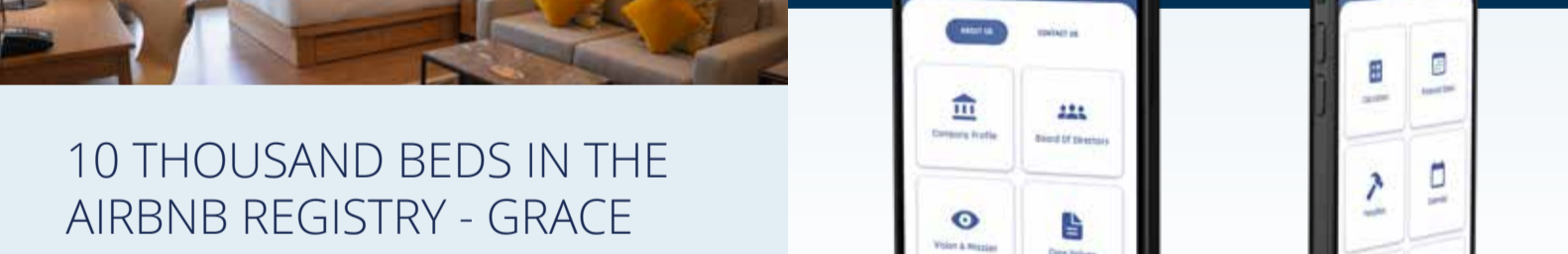
It should be noted that the obligation of companies and partnerships to submit and update their Beneficial Owners information is not affected and remains valid.



CHRISTMAS AND NEW YEARS HOLIDAYS

Dear clients, partners and friends, this holiday season our office will be closed on the 26th December 2022 and the 2nd January 2023.

For urgent matters during the holidays you can email us at support@accyp.com and we will try to get back to you as soon as possible!

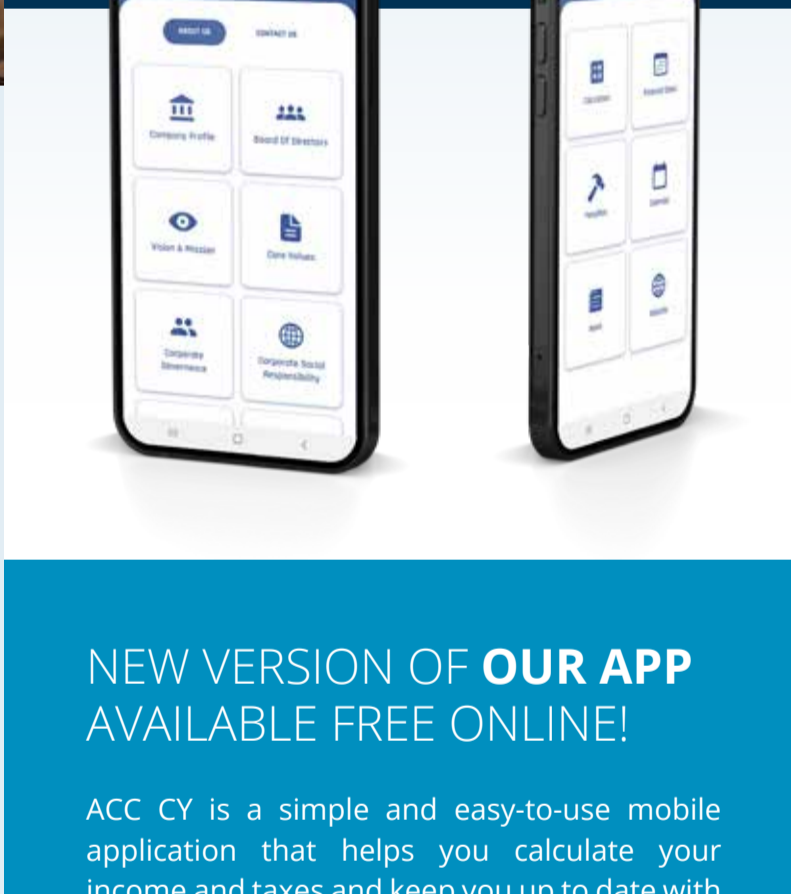


10 THOUSAND BEDS IN THE AIRBNB REGISTRY - GRACE PERIOD ENDS

Those who own and advertise properties for short-term rentals online will be essentially illegal if they do not take care to register in the Register of Self-catering Accommodations of the Ministry of Tourism by **February 7, 2023**, as the grace period essentially ends.

An extension of one year has already been granted for registration in the register since the first deadline expired on February 7, 2022. Due to difficulties that seem to have arisen in the first plans to register interested parties in the register, the Parliament decided to grant an extension for another year, with the Ministry of Tourism estimates that this will be the last.

The submission of applications for registration in the register is only done online for natural and legal persons who are interested and, as mentioned, this will continue until the beginning of 2023. The license/registration fee is 222 euros. After February 7 of the new year, if the ministry detects properties being advertised or rented without being registered in the register, it will proceed to impose penalties and administrative fines.



NEW VERSION OF OUR APP AVAILABLE FREE ONLINE!

ACC CY is a simple and easy-to-use mobile application that helps you calculate your income and taxes and keep you up to date with the latest financial news in Cyprus. Whether you are self-employed or work at a company, this application is tailored to your needs.

The app also offers the ability to keep track of any key dates and to set important reminders to your calendar for Cyprus Tax, VAT and Social Insurance deadlines. There is also a description of the penalties and interests regarding the Income TAX, VAT, Social Insurance and Annual Levy for companies in Cyprus.

UPCOMING SUBMISSION DEADLINES

By December 31st

- Payment of provisional tax - second and last installment for current year (FORM TD6).
- Payment of special contribution for defense for the last six months of current year on rents if such tax is not withheld at source by tenant and on dividends or interest from sources outside Cyprus (FORM TD601).
- Payment of the third and last instalment of the premium tax for insurance companies (life business) for 2022 (FORM TD199).
- Payment of tax deducted from employees salary (PAYE) in the preceding month.
- Payment of Special Contribution for Defence (SDC) and contribution to General HealthCare System (GHS) withheld on payments of dividends, interest or rents (when the tenant is a company, partnership, the state or local authority) made to Cyprus tax residents in the preceding month.
- Payment of tax withheld in the preceding month on payments to non-Cyprus residents.
- Payments of Social Insurance and contribution to General HealthCare System (GHS) deducted from employees emoluments FORM Y.K.A. 2-002.
- INTRASTAT forms are submitted to the VAT Authorities 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 VIES form, is submitted to the VAT Authorities within 15 days from the end of the related month in electronic form only.



ACCOUNTING AND BOOKKEEPING SERVICES

Accounting and bookkeeping is a crucial aspect of your business functions and financial management. Still, some business owners might decide to do it themselves. In that case, they don't just lose precious time but – doing it yourself might cost your business more than you think.

When it comes to running a successful business, it's important to stay on top of your finances. That's why at A&C CHRISTOFI LTD, we offer a wide range of accounting and bookkeeping services tailored to meet the needs of individual clients. From balancing the books every month to preparing for year-end tax returns, we'll help you keep track of business performance so you can focus on other important tasks.

Professionalism and Integrity

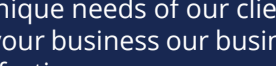
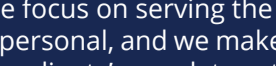
As accounting and bookkeeping experts, we understand the importance of trust. Our professional approach allows us to develop strong client bonds, while transparent communication provides ultimate peace of mind. We're here to make the everyday running of your company a much easier task, offering accounting and payroll services that'll free up time and ease stress. Organisation is key and, with us by your side, you'll have everything from cash flow forecasts to computerised records at your fingertips.

Give your business the success it deserves. **Contact our expert advisor today!**

For more information get in touch with us!

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WHO WE ARE

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A & C CHRISTOFI LTD is a full-service accounting and auditing firm that focuses primarily on clients' needs. We offer accounting, payroll, and tax preparation services for businesses and individuals as well as tax planning and business advisory services. We focus on serving the unique needs of our clients on a one-to-one basis. We are accessible, flexible, and personal, and we make your business our business. We are dedicated to professionalism, integrity and our clients' complete satisfaction.