



## Temporary application of the zero vat rate for essential items

We would like to inform you that on 2 May 2023, the Council of Ministers approved a Decree which amends VAT Law in order to impose a zero VAT rate on supplies of certain basic items. This is a temporary measure which will be effective from the date the Decree is published in the Official Gazette ( 5 May 2023) and will remain in force until 31 October 2023.

### The zero VAT rate will apply to the following items:

- Bread: all types of bread, fresh or frozen, with or without sourdough (e.g., white, black, whole grain, multigrain, rustic, rye, corn cut, baguette, ciabatta, sliced bread, loaves, pies). Pastries, rusks and any bread with added ingredients such as raisins, nuts, herbs are not included.
- Milk: fresh milk (e.g., cow, goat, sheep), sweetened, concentrated, long-lasting, flavoured milk (e.g., chocolate, banana), vegetable milk (e.g., almond, soy, rice).
- Eggs
- Baby food: powdered, dry and/or wet form, intended for consumption by children. Snacks (e.g., chips, nuts, sweets, chocolates, ice cream) are not included.
- Baby diapers
- Products for feminine hygienic protection (tampons, sanitary towels and incontinence pads).
- Adult diapers

It is important to note that as per the VAT Law, all businesses affected by the above change should perform a stock count before the new provisions come into effect.

## TFA TAX FOR ALL

Το Ενιαίο Σύστημα Φορολογικής Διαχείρισης του Τμήματος Φορολογίας

## FROM TAXISNET TO TAX FOR ALL (TFA)

Tax For All (TFA) is the Integrated Tax Administration System of the Taxation Department, which will replace existing computer systems such as Taxisnet and Tax Portal. TFA will provide taxpayers and authorized representatives real-time information about their tax affairs

The Project will be completed in three stages. Each stage concerns different types of taxes and functions. At this first stage, the Tax Department announced an extension to the deadline for submitting VAT Returns as follows:

VAT Periods	Initial Submission Date	New Submission Date
01/01/2023 – 31/03/2023	10 May 2023	26 May 2023

All user accounts must be activated. Click [here](#) for the instructions.



## ANNUAL LEVY FOR 2023

All companies incorporated in Cyprus, irrespective of whether they are active or not, or have assets or not, are subject to a €350 levy per annum. The levy must be paid the latest by the 30th of June 2023. For a late payment, then the following penalties will be imposed:

- 10% penalty when there is up to 2 months delay.
- 30% penalty when there is delay between 2 to 5 months.

The payment can be made online, through JCCsmart or we can proceed on your behalf with an extra charge.



## TRANSFER PRICING

Transfer pricing is an accounting practice that represents the price that one division in a company charges another division for goods and services provided.

Transfer pricing allows for the establishment of prices for the goods and services exchanged between subsidiaries, affiliates, or commonly controlled companies that are part of the same larger enterprise. Transfer pricing can lead to tax savings for corporations, though tax authorities may contest their claims.

[Click here to read the rules and documentation requirements as of January 01, 2022](#)



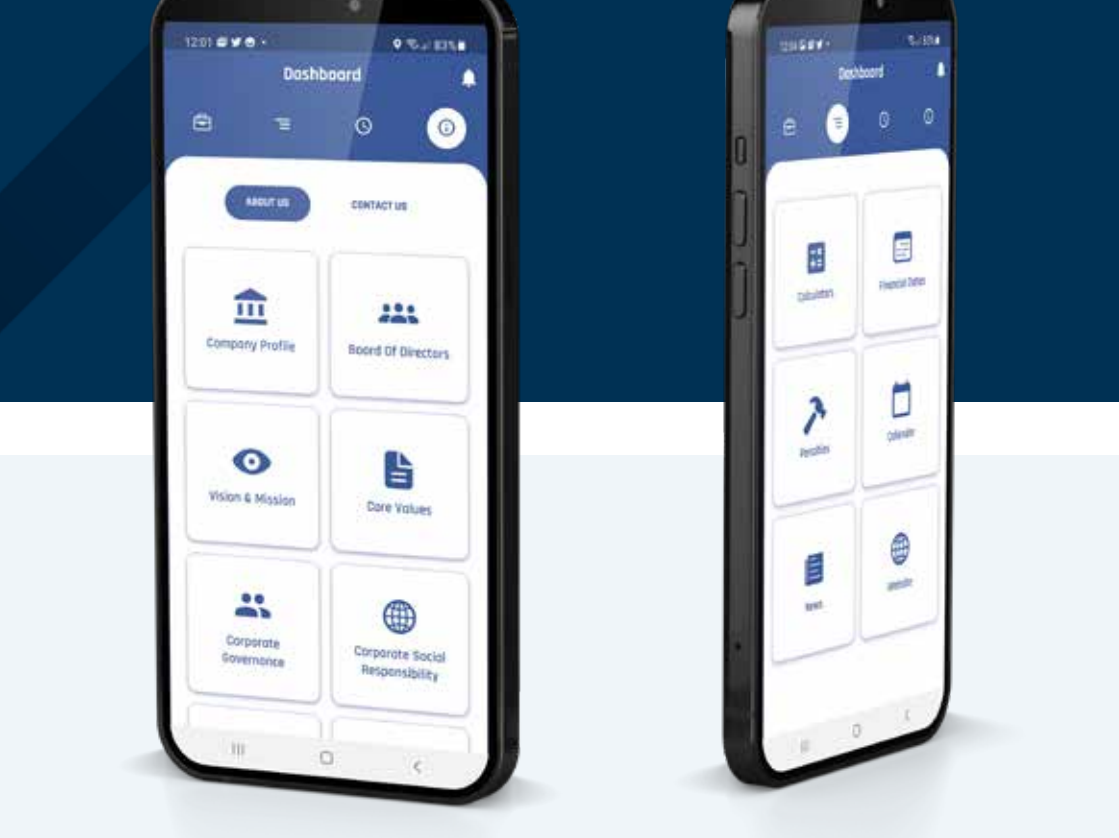
## CYPRUS TAX GUIDE AND FINANCIAL CALENDAR FOR 2023

A & C CHRISTOFI LTD is a fast-growing professional services company based in Limassol, Cyprus. The company is a member of the Institute of Certified Public Accountants in Cyprus (ICPAC), and holds the relevant practicing certificate needed for auditing in Cyprus. We offer a variety of professional services to our clients, adapting to their requirements and needs as they develop. As your partner, we function as part of your business.

With personalized attention to your business and the high-quality services we offer, we can navigate you and your company through all the important financial dates of 2023. This way, you and your company will always be up to date and know exactly your tax-due dates and plan accordingly.

[Click here to view our Cyprus Compliance Guide for 2023](#)

[Click here to view our Cyprus Compliance Calendar for 2023](#)



## 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 May 31st

- Electronic Submission of the 2022 employer's return (FORM TD7).

### By the end of the month

- Payment of tax deducted from employees salary (PAYE) in the preceding month.
- Payment of Special Contribution for Defence (SDC) and contribution to General Health Care 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.
- Payment 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.



## OUTSOURCED CFO SERVICES

We will help your business to implement strong accounting and tax practices that will streamline your finances and improve business performance.

With our outsourced CFO services we are committed to support the rapid growth of your business.

Our support will ensure the improvement of the accounting efficiencies, the refinery tax strategies, and conquest of the financial challenges in order to keep moving forward. We will help your business to implement strong accounting and tax practices that will streamline your finances and improve business performance.

### Our Outsourced CFO Services include the following:

- Interim CFO or Controller
- Part-time CFO services
- Business improvement strategies
- Strategic business planning
- Financial analysis and reporting
- Cash flow management
- Tax planning to maximize profits
- Operations review
- Training for in-house accountants and bookkeepers
- Risk management
- Due diligence

For more information get in touch with us!

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Download our app:



## WHO WE ARE

Licensed by the ICAEW, ACCA and Cyprus ICPAC

A & C CHRISTOFI LTD is a full-service accounting and auditing firm that focuses 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.

## A & C CHRISTOFI LTD

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