

MONTHLY NEWSLETTER

January, 2025



Για Ελληνικά πατήστε εδώ



Welcome to the latest edition of our monthly newsletter!
We're excited to share with you recent financial news and updates.

If you would like to discuss any of these articles in more detail, please contact us at the office.

Kind Regards | A & C CHRISTOFI LTD



Amendment to the maximum amount of insurable earnings for 2025

The Department of Social Insurance Services lays down yearly the maximum amount of earnings used for the purpose of calculating the contributions to the Social Insurance, Redundancy, Training and Development Funds.

Based on an announcement issued on 2/1/2025 by the Social Insurance Services Department, the maximum amount of insurable earnings for 2025 has been revised upwards from the previous year to €1.281 per week, €5.551 per month and €66.612 per annum.

It is noted that contributions to the Social Cohesion Fund are calculated on actual earnings, not subject to the above caps.

Please refer to the below summary table for the applicable contribution rates which are payable by employers and employees for 2025:

Social insurance contribution rates for 2025

Fund	Employer	Employee	
Social Insurance	8,8%	8,8%	C
Redundancy	1,2%	-	C
Training and Development	0,5%	-	C
Social Cohesion	2,0%	-	N.C
Total	12,5%	8,8%	

C=Cap at EUR 5.551 /month., N.C= No Cap

Social insurance contributions applicable to self-employed persons

The contribution of self-employed persons for 2025 will remain unchanged at 16,6% on insurable earnings.

Minimum insurable earnings by occupational category

The table which summarises the minimum applicable insurable earnings of self-employed persons for 2025 by occupational category, as issued by the Department of Social Insurance Services, can be accessed [here](#).

Amounts of social insurance contributions due for 2025

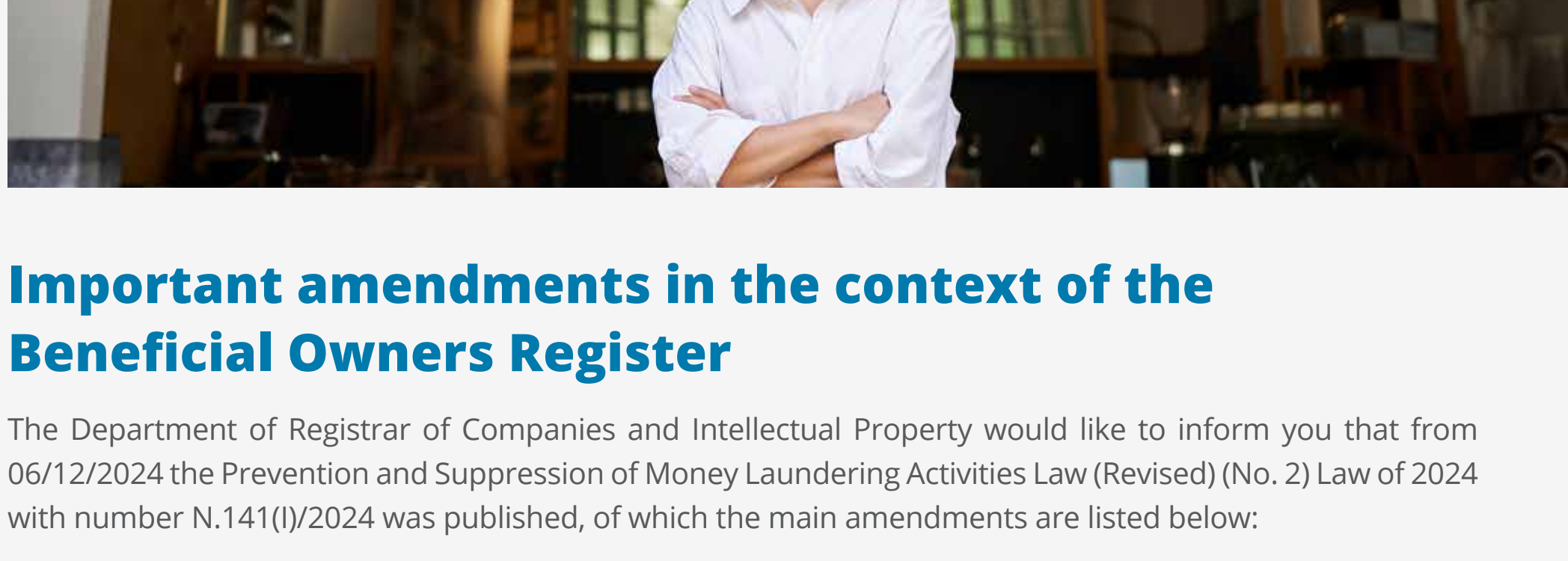
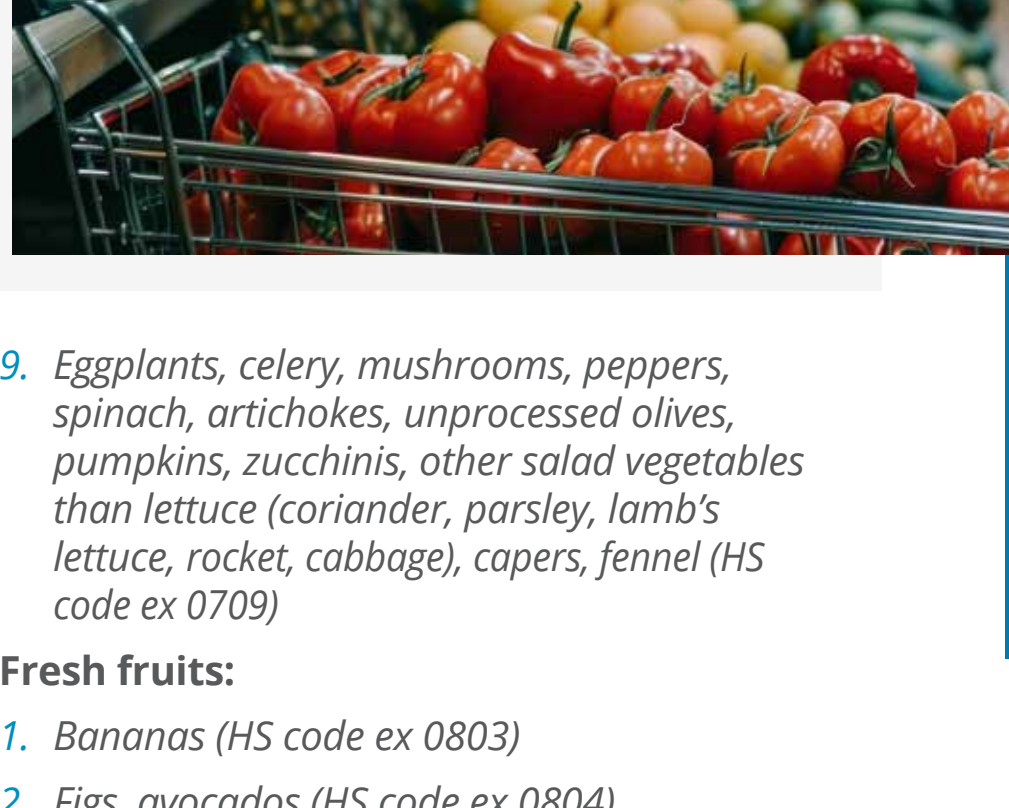
The table issued by the Department of Social Insurance Services which summarises the amounts of contributions due for each quarter of 2025, based on the minimum weekly insurable earnings of self-employed persons, according to the table referenced in the above immediate section, can be accessed [here](#).

Imposition of Zero VAT Rate on Basic Goods from 4 November 2024 to 31 December 2025

The Tax Department informs that the Council of Ministers, in its session on October 29, 2024, decided to impose a zero VAT rate on the delivery of certain basic goods from 4 November 2024 to 31 December 2025, as follows:

- Baby Milk (liquid form and powder)**
- Baby diapers and adult diapers**
- Products for female hygiene protection** (tampons, sanitary pads, and incontinence pads)
- Fresh or simply refrigerated vegetables:**
 - Potatoes (HS code ex 0701)
 - Tomatoes (HS code 0702)
 - Onions, shallots, garlic, leeks, and other similar vegetables (HS code 0703)
 - Cabbages, cauliflower, broccoli, curly cabbages, turnip cabbage (HS code ex 0704)
 - Lettuce (*Lactuca sativa*) and chicory (*Cichorium spp.*) (HS code 0705)
 - Carrots, turnips, red turnips for salads, lamb's lettuce (*scullery*), celeriac, radishes, and similar edible roots (HS code 0706)
 - Cucumbers and gherkins (HS code 0707)
 - Podded vegetables with or without pods, such as peas and beans (HS code 0708)
- Fresh fruits:**
 - Bananas (HS code ex 0803)
 - Figs, avocados (HS code ex 0804)
 - Citrus fruits (HS code ex 0805) (oranges, mandarins, clementines, grapefruits, lemons, and sweet lemons)
 - Grapes (HS code ex 0806)
 - Melons and watermelons (HS code ex 0807)
 - Apples and pears (HS code ex 0808)
 - Apricots, peaches, cherries, nectarines, and plums (HS code ex 0809)
 - Strawberries and kiwifruits (HS code ex 0810)

Source: Tax Department



Important amendments in the context of the Beneficial Owners Register

The Department of Registrar of Companies and Intellectual Property would like to inform you that from 06/12/2024 the Prevention and Suppression of Money Laundering Activities Law (Revised) (No. 2) Law of 2024 with number N.141(I)/2024 was published, of which the main amendments are listed below:

- The financial penalties will only be borne by the company or other legal entity. No financial penalties will be imposed on every director and secretary.
- A director or managing director of a company, who refuses, or omits, or neglects to complete the obligation for submission of the information of the beneficial owners, is jointly and/or separately liable with the company for the repayment of the financial penalty imposed on the company.
- The financial penalties have been revised. Specifically, a penalty of one hundred Euro (€100) will be imposed on the first day of the violation and an additional penalty of fifty Euro (€50) for every day of continuation of the violation, with the maximum limit of the penalty being five thousand Euro (€5.000) per company or other legal entity.
- Authority is given to the Registrar of Companies to issue a Directive for establishment of the procedure for administrative review and/or submission and/or examination of an objection against the decision for an imposition of a penalty.
- Authority is given to the Registrar of Companies to remove from the business entity register a company or other legal entity which refuses, or omits, or neglects to complete the obligation for submission of the information of the beneficial owners, similar to the company deregistration process, in accordance with article 327 of the Companies Law or paragraph (5) of article 57 of Partnerships and Trademarks Law.
- Authority is given to the Registrar of Companies to apply to the Court for the issue of a mandatory decree, which orders for the compliance of any person with the obligations that arise from article 61A of Law 188(I)/2007 and of the Directives issued pursuant to this Law.

Extension and Withdrawal of financial Penalties

The House of Representatives, decided to grant an additional extension for the submission of the information of beneficial owners for all Companies and Other Legal Entities, until the 31st of January 2025.

For the application of the above decision, on 16/12/2024 the Registrar of Companies has issued the following amending Directive ΚΔΠ423/2024. Simultaneously, this directive also provides for the extension of confirmation of the accuracy of the information of the Ultimate Beneficial Owners for the year 2024 until the 31st of March 2025.

It is emphasized that from the 1st of February 2025, the non-compliance with the submission of information of the beneficial owners, will impose administrative and other penalties, in accordance with the Prevention and Suppression of Money Laundering Activities Law 188(I)/2007, as amended and voted by the House of Representatives that was implemented on 16/12/2024, and of the Directive 112/21, as amended.

Following the above amendments, the Department of Registrar of Companies and Intellectual Property will revoke penalties previously imposed from 01/04/2024 and will refund the relevant amounts that have been paid.

It is reminded that the Beneficial Owners' Register is online and its update is exclusively made through the following link: <https://ubo.meci.gov.cy>

Extension of the submission date of an income statement, by persons who are required to submit a summary list Controlled transaction information, for the years 2022 and 2023

The Department of Taxation informs that, the Cabinet in yesterday's the session decided to extend the submission date the Income Tax Return from persons who have obligation to submit a summary table of additional information Transactions, for the years 2022 and 2023 as follows:

- Income Statement for the year 2022:** extension until the 28th February 2025
- Income Statement for the year 2023:** extension until the 30th November 2025

The relevant decrees will be posted on the Department's website Taxation immediately after publication in the Official Government Gazette.



UPCOMING SUBMISSION DEADLINES

By January 31st

- Submission of the Deemed Dividend Distribution declaration (Form TD623) for the profits of the year ended 31st December 2022.
- Payment of Special Defense Contribution (SDC) and General Health System contribution (GHS) for the profits of the year 2022.

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.



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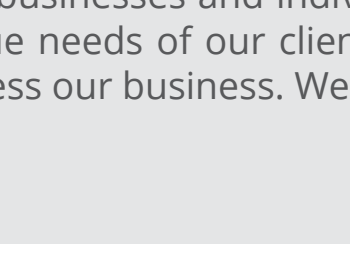
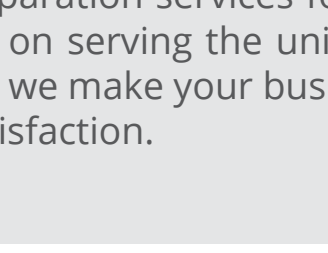


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