



TAX CALENDAR 2021

2021

“knowledge”

Facts, information and skills acquired through experience or education; the theoretical or practical understanding of a subject.

OXFORD DICTIONARY

AUTHORED: JANUARY 2021

ΓΝΩΣΗ

Introduction

The tax year 2020 brought seismic changes to our lives in the most fundamental respects.

Covid-19 has affected our lives in ways that were inconceivable a year ago. Not since the 2013 economic crisis has Cyprus collectively shared an experience of this kind: a single, lingering crisis, structuring the rhythm of our daily lives within a complex calculus of risk and competing probabilities.

But even though the pandemic has dominated our thoughts and shifted our priorities, life goes on. We need to look ahead and start dealing with 2021.

In case you are wondering what are the tax filing and payment deadlines for 2021, read on.

It is noted that keeping a tax diary is very important if you want to be proactive and up to date with your tax compliance obligations and avoid paying unnecessary interest and penalties.

Courtesy of the Tax Department of Costas Tsielepis & Co Ltd, the below tax diary shows the Cyprus tax due dates for 2021 by month that apply to both individuals and companies.

This way, you and your company will always be up to date and know exactly your tax-due dates and plan accordingly. Of course, you could pay your taxes and submit the relevant returns before the deadline, which will ensure that no interest and penalties will be imposed.

It is noted that payment can only be executed electronically either through JCC Smart Portal or through E-Banking via the Tax Portal.

You may also click [here](#) to view an explanatory table relating to the payments and relevant tax codes.

Tax Due Dates by Month

| | |
|---|---|
| <p>End of each month</p> | <p>PAYE for employees deducted from salaries relating to the previous month.</p> <p>Payment of tax withheld on payments made to non-Cyprus tax residents during the previous month.</p> <p>Social insurance and General Healthcare Contributions relating to salaries of the previous month.</p> <p>Special Contribution for Defence to be withheld from Cyprus sourced dividends and interest for tax resident and domiciled individuals relating to previous month.</p> <p>General Health Contributions to be withheld from Cyprus sourced dividends and interest for tax resident individuals relating to previous month.</p> <p>Special Contribution for Defence to be withheld from Cyprus sourced rent paid to tax resident and domiciled individuals (when tenant is a company, partnership, the state or local authority) relating to previous month.</p> <p>General Healthcare Contributions to be withheld from Cyprus-sourced rent paid to tax resident individuals (when tenant is a company, partnership, the state or local authority) relating to previous month.</p> <p>Submission of Form T.D.602 - Declaration of withheld Special Contribution for Defence and National Health Contribution from Interest, and Form T.D.603 - Declaration of withheld Special Contribution for Defence and National Health Contribution from Dividends relating to previous month.</p> |
| <p>Within 30 days from the date of the agreement</p> | <p>Payment of stamp duty</p> |
| <p>Within 60 days from the date of change</p> | <p>Notification to the Tax Department of any changes to the information submitted upon tax registration.</p> |
| <p>31 January</p> | <p>Submission of the deemed distribution declaration (Form TD 623) for the year ended 31 December 2018.</p> <p>DAC6 Reporting deadline (through Ariadni Portal) for Reportable Cross Border Arrangements (RCBAs) undertaken between 1/7/2020 and 31/12/2020.</p> |
| <p>28 February</p> | <p>Submission of objections relating to tax assessments issued during December 2020.</p> <p>DAC6 Reporting deadline (through Ariadni Portal) for historic RCBAs (first step implemented between 25/6/2018 and 30/6/2020).</p> |

| | |
|--------------------|--|
| 31 March | <p>Electronic submission of the 2019 corporation income tax return (Form TD4).</p> <p>Electronic submission of the 2019 income tax return (Form TD1) for individuals preparing audited financial statements.</p> |
| 30 April | <p>Payment of the first installment of premium tax for life insurance companies</p> |
| 31 May | <p>Electronic submission of the employer's return for 2019 (Form TD7).</p> |
| 30 June | <p>Payment of the 2021 special contribution for defence on rents, dividends or interest under self-assessment from sources outside Cyprus for the first 6 months of 2021.</p> <p>Payment of the 2021 General Health Contributions on rents, dividends or interest under self-assessment, for the first 6 months of 2021.</p> <p>Payment of the Annual Levy of €350 for the year 2021.</p> |
| 31 July | <p>Payment of the 2020 personal income tax and General Healthcare Contributions under a self-assessment method by individuals not preparing audited financial statements (employees and self-employed).</p> <p>Electronic submission of the personal income tax return (Form TD1) for 2020 for both self-employed and employees.</p> <p>Submission of the 2021 temporary tax assessment and payment of the first installment for both individuals and companies.</p> |
| 1 August | <p>Settlement of the 2020 final corporation tax and personal tax for individuals preparing audited accounts.</p> |
| 31 August | <p>Payment of the second installment of premium tax for life insurance companies</p> |
| 31 December | <p>Payment of temporary tax - second and last installment for 2021.</p> <p>Submission of the 2021 revised provisional tax return.</p> <p>Payment of the 2021 special contribution for defence on rents, dividends or interest from sources outside Cyprus for the second 6 months of 2021.</p> <p>Payment of the 2021 General Health Contributions on rents, dividends or interest under self-assessment, for the second 6 months of 2021.</p> <p>Physical stock taking to be undertaken</p> <p>Payment of the third installment of premium tax for life insurance companies</p> |

Interest and Penalties

The official interest rate, as set by the Ministry of Finance, for all amounts due after 1 January 2021 is 1,75% (2% for 2019, 3,5% for 2018 and 2017, 4% for 2016 and 2015, 4,5% for 2014, 4,75% for 2013, 5% for years 2012 and 2011, 5,35% for the year 2010, 8% for the years 2007-2009 and 9% up to 31 December 2006).

In addition to the interest, a penalty of 5% is imposed on the unpaid tax. An additional penalty of 5% is imposed if the tax remains unpaid 2 months after the payment deadline.

Notes

- (a) The personal income tax returns can only be submitted electronically. Manually submission is no longer permitted, except in cases of revised income tax returns.
- (b) From the tax year 2020 onwards, all individuals with a gross income that falls under the provisions of Article 5 of the Income Tax Law are obliged to submit a personal income tax return.

Gross income that falls under the provisions of Article 5 of the Income Tax Law includes, amongst others, salaries, rents, royalties, pensions, dividends, interest and profits from share dealings (before any deductions, reliefs and credits) which may be exempt from the income tax and/or special contribution for defence. The Council of Ministers is also empowered to issue decrees which will specify which categories of taxpayers with a total annual gross income below the taxable threshold of €19.500 will be exempted from the obligation to submit a tax return.

Up until tax year 2019, individuals with gross income not exceeding €19.500 (tax-free threshold) were not obliged to submit a personal income tax return, unless they received a notice/request for submission.

- (c) In cases where the deadline for the submission of a tax return or payment of a tax or other liability falls on a Saturday or Sunday or Public holiday, the deadline for complying with these obligations is extended until the next business day
- (d) Any person who is fraudulently delaying or omitting to pay taxes or any person who delays payment of withheld taxes i.e. from salaries (such as PAYE and special contribution), payments to non-residents (such as films and royalties), as well as defence tax withheld from dividends, interest and rental income is guilty of a criminal offence and is liable to fines and imprisonment in the case of individuals.

In the case of a company the directors, executive managers and accountants are also liable for penalties and imprisonment;

Tax Due Dates for Payment of Social Insurance Contributions of Self-Employed

| <i>Months to which the contributions relate:</i> | <i>Date</i> |
|--|----------------------------|
| January-March | 10th of following May |
| April-June | 10th of following August |
| July-September | 10th of following November |
| October-December | 10th of following February |

Notes:

Every employer or self-employed individual who fails to pay the contributions within the time limit, is obliged to pay an additional penalty in the range of 3% and 27%, depending on the period of delay, calculated on the amount of contributions due for payment.

As always, the Taxation Department of Costas Tsielepis & Co Ltd is at your disposal should you require any further information or clarifications.

NOTE

The tax information contained in this publication is accurate as at the date of its publication. The information in this publication is designed to increase the reader's general awareness of the Cyprus Tax System and in no case this publication can substitute proper professional advice and specialized solutions that may be specifically applicable to your own needs.

For any such professional consultation, please contact the Taxation Department of Costas Tsielepis & Co Ltd.

Your tax contacts in Cyprus



Alexis Tsielepis
Director, Business Development
a.tsielepis@tsielepis.com.cy



Nicolas Papapanayiotou
Director, Head of Taxation
n.papapanayiotou@tsielepis.com.cy

Costas Tsielepis & Co Ltd

205, 28th October Str., Louloupis Court, 1st Floor, 3035 Limassol, Cyprus
P.O. Box 51631, 3507 Limassol, Cyprus
T: +357 25871000 | F: +357 25373737
info@tsielepis.com.cy | www.tsielepis.com.cy