



Tax breaks on Covid-19 grants and benefits

3 August 2021 - The Cyprus Tax Department through the Ministry of Finance issued on 20 July 2021 Circulars [No. 48](#) and [No. 49](#) confirming that the grants and other allowances provided to companies and the self-employed due to the Covid-19 pandemic are not taxable.

The specific income, which was granted to cover rents and other operational expenses, is subject however to the deemed distribution rules, meaning the obligation to pay defence tax and GeSY.

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