



## Tax Department to collect 0,4% levy on property sales

**5 December 2022 - The Tax Commissioner has been designated as the responsible authority to collect the 0,4% levy on property sales.**

The 0,4% levy (see our [Tax Alert 129](#)), went into effect on 22 February 2021 and covers disposals of properties located in Cyprus and/or disposals of shares of companies owning (directly or indirectly) properties located in Cyprus.

As a reminder, the initial legislation levying 0,4% was voted back in February 2021. It provided for a levy on any sale/transfer of real estate, as well as on the transfer of shares in a company where that company owns immovable property or where the transfer of the shares results in the buyer taking control of the corporation or exploiting the immovable property in question.

As the February 2021 legislation did not specify how the taxes would be levied or by which authorities, it made the law unenforceable. The amendments made corrected that omission, by designating the Tax Department as the responsible authority.

The amended law also provides that in case of disposals of immovable property the 0,4% levy is imposed on the agreed consideration whereas in case of disposals of shares of companies owning immovable property located in Cyprus the 0,4% levy is imposed on the last assessed by the Land Registry value of the property owned by the company whose shares are being sold.

The funds raised will go into a fund managed by the Central Agency for the Equal Distribution of Burdens, the state agency tasked with assisting refugees from the Turkish invasion in 1974.

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