



## **Withholding obligations on rental payments amended**

**13 July 2023 – The provisions of the Special Contribution for the Defence Law relating to withholding obligations on rental payments have been amended.**

Based on the specific amendments, as of 9 June 2023 every person who has the obligation to withhold special contribution for defence from rental payments should pay in 2 instalments, by the 30th of June and by the 31st of December of each year, the relevant amount withheld.

In cases where the special contribution for defence is not withheld or withheld and not paid within the month following 30 June and 31 December of each year, with respect to rents paid during the first and second semester of the year, respectively, interest shall be imposed at the rate of 2,25%. A penalty of 5% on the due tax in such instances where the due tax is not timely paid will also be imposed.

As always, the Department of Taxation of Costas Tsielepis & Co Ltd is at your disposal should you require any further information, clarifications or assistance with your provisional tax return or any other tax-related matter.