



Requirements for submission of Transfer Pricing declaration

24 September 2024 - The Cyprus Tax Commissioner has issued an announcement relating to the requirement of auditors and tax advisors to submit a transfer pricing declaration of quality assurance review relating to the Cyprus Local Files (which should be updated annually) and the Summary Information Table (SIT).

The specific declaration must be signed by licensed auditors and tax advisors and must:

- Confirm that the quality assurance review of the local file has been completed;
- Include the results of the local file and indicate whether these results meet the requirements of not for each category included in the summary information table;
- Be signed by an auditor/tax advisor who is a member of ICPAC and who undertook the quality assurance review of the local file;
- Be submitted in Greek language together with the summary information table.

It is emphasized that the Tax Commissioner will undertake thorough inspections of the information documented in both the SIT and the Cyprus Local file.

You are also reminded that the deadline for the submission of the SIT for the year 2022 is on 30 November 2024 while the deadline for the submission of the 2023 is on 31 March 2025.

The SIT is a new transfer pricing reporting obligation for taxpayers involved in transactions with related parties (controlled transactions). It is reminded that from the 2022 tax year and onwards, taxpayers engaged in controlled transactions (irrespective of the value and nature of the transaction) are required to report the specific transactions through their Summary Information Table which is submitted through the TFA portal.

On the Summary Information Table, the following need to be disclosed:

- Legal name of the counterparty
- Tax residency of the counterparty
- Tax Identification Number of the counterparty
- Type and value for each transaction
- Documentation method used to support each transaction

The penalty for non-submission of the summary information table is €500 per return while the penalties for the non-preparation of a local file varies from €5.000 to €20.000.

The Tax Commissioner also issued a Q&A which provides guidance relating to the application of the transfer pricing regulations and the summary information table.



It is, therefore, recommended clients to review their related party transactions for 2022 and 2023 and start preparing the relevant local files and transfer pricing studies in order to avoid any adverse opinions to be filed by the auditors/tax advisors.

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.