



Provisional tax return due end of July 2025

9 July 2025 – The provisional tax return for the tax year ending 31 December 2025 is due for submission by 31 July 2025.

The provisional tax return requires the estimation of the provisional taxable profit for the current year and the payment of the respective provisional tax liability in two equal instalments, i.e., by 31 July 2025 and 31 December 2025 (even though the payments can be executed by 31 August 2025 (for the first instalment) and 31 January 2026 (for the second instalment) without the imposition of any interest and penalties).

It is noted that the final tax liability for the tax year 2025 should be settled by 1 August 2026.

Cyprus tax resident individuals (domicility is irrelevant) having income other than employment income may also need to file a provisional tax declaration in order to settle the personal income tax and General Healthcare System Contributions (GHS) relating to such income. Taxpayers with no taxable income, do not have an obligation to pay provisional tax.

A provisional tax return may be revised by a taxpayer at any time before 31 December of the year of assessment to which it relates. In case of a revision, the Commissioner of Taxation will need to be notified in writing by completing and submitting a revised provisional tax declaration.

Downward revision of the provisional taxable profit can be done only up to an amount that would create a provisional tax liability equal to the sum of payment already made up to the date of revision. This in effect would create a zero payable instalment on the following due date of the year of assessment.

Upward revision of the provisional profit creates an increased provisional tax liability. This in effect results in underpayment relating to the instalment previously paid, up to the date of revision. The underpayment needs to be settled by the following due date, and it will carry interest at 5,5% p.a. plus a 5% penalty on the tax due. An additional penalty of 5% may be imposed by the Tax Department (TD) if the tax remains unpaid two months after the statutory deadline (i.e. for the 1st instalment, the penalty will be imposed from 1 October onwards).

If the provisional taxable profit for 2025 is less than 75% of the final taxable profit computed based on the audited financial statements, then a 10% additional tax is added to the tax liability payable. For this reason, it may be more tax effective to execute payments through the provisional tax assessment system rather than submitting a nil return and paying the final tax together with a 10% additional tax in 2026.


An overpayment of provisional tax resulting from the overestimation of the provisional taxable profit is refundable and carries interest on a complete month basis. This refund will be effected by the Commissioner of Taxation upon submission, examination and agreement

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of the computation for the relevant year of assessment. It is noted that any refund cannot be netted off with any past or future tax liabilities without the Commissioner's approval.

The settlement of the provisional tax can be made by firstly creating the provisional tax obligation through the Tax Portal and then selecting one of the payment methods from the icons appearing next to the Tax Payment Reference Codes.

Please let us know if you would like us to assist you with the calculation of the provisional tax for the year 2025 and the steps that need to be taken for the payment of the respective provisional tax.

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.