



## Up to 95% relief on interest and penalties on overdue taxes

**17 February 2020 – The Cyprus House of Representatives has passed a new Law earlier this month that provides significant reliefs (from 50% up to 95%) on interest and penalties on overdue taxes, including income tax, VAT, special defence contribution tax, capital gains tax and stamp duty, depending on the number of installments.**

The new law, which relates to the Settlement of Taxes Scheme, was passed on 7 February 2020. More information on the Scheme can be found in our Tax Alerts [No.49](#), [No.54](#), [No.59](#), [No.64](#) and [No.78](#).

Under this new Law, taxpayers (individuals and companies) applying for the settlement of taxes scheme will be eligible to apply provided that the Income Tax Declarations, up to and including the tax year 2015, are filed by 30 June 2020 and the taxpayer is in compliance with its subsequent tax obligations (including VAT) at the time the application is made.

By the time of the application, a taxpayer must also settle all of its direct and indirect tax liabilities that arose after 31 December 2015, in order for their application for the settlement of overdue taxes to be accepted.

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