



## Cyprus approves tax relaxations

**30 March 2020 - Various tax postponements and relaxations have been adopted by the Cyprus government as part of its efforts to help curtail the adverse effects of the coronavirus pandemic on the local economy.**

The Cyprus Parliament voted on 27 March 2020 amendments to the General Healthcare System Law, Assessment and Collection of Taxes Law and Settlement of Overdue Social Contribution Law. The amendments were published in the next issues of the Cyprus Government Gazette and are now in effect.

### **National Healthcare System Law (NHS Law)**

The payment of contributions to NHS for the period from 1 April 2020 to 30 June 2020 will temporarily be maintained at the initial rates, while the increased rates will apply only for March 2020 and as from 1 July 2020.

More specifically, the current rates will be maintained at their initial level i.e. at 1,70% (instead of 2,65%) for employees, at 1,85% (instead of 2,90%) for employers, at 1,70% (instead of 2,65%) for persons holding office, at 2,55% (instead of 4,00%) for self-employed individuals, at 1,70% (instead of 2,65%) for persons earning income such as rentals, interest and dividends and at 1,65% (instead of 4,70%) for the government.

### **Assessment and Collection of Taxes Law**

The Minister of Finance was given the power to issue a decree to suspend the filing of income tax returns for companies, self-employed persons with accounts, or other persons, which are liable to submit an income tax return by 31 March 2020.

A two-month extension has been granted for the submission of the income tax return of taxpayers who have an obligation to tax declarations that are based on audited financial statements i.e. the new deadline is 1 June 2020.

It is also noted that the deadline for the settlement of the 2018 corporation tax has also been extended to 1 June 2020.

### **Settlement of Overdue Taxes and Social Security Contributions**

The amending Settlement of Overdue Social Contribution Law provides for a two-month deferral payment to individuals and companies who have regulated the payment of their overdue social contributions in instalments, on their instalments relating to months March and April 2020.



In a separate development, Limassol Municipality has announced a two-month extension to the payment of bills.

It said that payment of annual fees for professional licenses as well as the final notifications issued for payment of rubbish collection, professional licenses and professional premises licenses for 2019 (red notice) that were due 31 March 2020 has been extended to 31 May 2020.

Likewise, the shipping ministry has also decided to extend the deadline for payment of the registry maintenance annual fee and the tonnage tax.

The deadline for payment of the tonnage tax and the registry fee for 2020 have been pushed back to 31 May 2020, the ministry said.

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-related matter.