



Relief scheme on past due taxes extended

24 July 2020 – The Cyprus Parliament extended earlier this month a scheme providing for significant reliefs on interest and penalties imposed on past due taxes.

The House of Representatives passed on 17 July 2020 a new Law extending the Settlement of Taxes Scheme to 14 January 2021. The scheme provides a relief from 50% up to 95% on interest and penalties on overdue taxes up to 2015, including income tax, Value Added Tax (VAT), special defence contribution tax, capital gains tax and stamp duty, depending on the number of installments.

The new Law provides the following:

- The deadline for the submission of applications for the settlement of taxes scheme for tax years up to and including 2015, is extended to 14 January 2021.
- For tax liabilities which are assessed after 14 January 2021 and relate to obligations of tax years up to and including 2015, applications must be submitted within 6 months from the date on which the tax becomes overdue.
- Taxpayers who will submit their tax returns for tax years up to and including 2015 by 30 November 2020, will still have the right to join the above Scheme for any tax assessments that will arise on the basis of their submitted tax returns and which will be issued by the Tax department after the 14th of January 2021.
- The Settlement of Taxes Scheme will be terminated in cases where the taxpayer delays to pay an instalment for more than five consecutive months.
- Any instalments that were not paid between 1 March and 31 July 2020 will not be taken into consideration in order to assess if the taxpayer omitted payment of any five instalments.

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.