



Settlement of Overdue Taxes via Ariadne Portal now in force

5 July 2017 – **The new scheme to facilitate the settlement of overdue taxes by monthly installments via the Ariadne government portal went into force earlier this month.**

Following our [Tax Alert No.49](#), which related to the Settlement of Overdue Taxes Scheme, on 23 June 2017, and following the voting of the relevant law on 3 February 2017, the Notification under the law regulating the Settlement of Overdue Taxes No.200/2017 was recently published in the Cyprus Government Gazette. The Notification provides details of the process and the years to which the scheme will apply as well as the discounts to be provided.

Submission of application

An application for inclusion in a scheme must be submitted by a taxpayer within three months from the date the law enters into force, which is 3 July 2017, through a specific application to be made via the Government Gateway Portal "Ariadne".

Which taxes does the scheme cover?

The scheme covers the following:

- (a) All taxes due for the years up to and including 2015 which at the date of the application have been assessed by the Tax Department and appear as payable.
- (b) Amounts which become payable as a result of the submission of a self-assessment in respect of tax years up to and including 2015 where the tax returns for the relevant tax year have already been submitted, but no tax payment was made.
- (c) Tax liabilities which are assessed after 3 July 2017 by the Commissioner of Taxation and relate to tax years up to and including 2015. In this case, a separate application for regulation must be made within three months from the date on which the tax becomes due (i.e. on the basis of the tax assessment which will be issued).

Instalments and discounts

A percentage of the interest and penalties on the overdue taxes will be waived depending on the number of the payment installments. These are shown in the table below:

| Number of installments | % Relief on interest and penalties |
|------------------------|------------------------------------|
| 1 (one-off payment) | 95% |
| 2 - 8 | 90% |
| 9 – 15 | 85% |
| 16 – 21 | 80% |
| 22 – 28 | 75% |
| 29 - 35 | 70% |
| 36 – 42 | 65% |
| 43 - 49 | 60% |
| 50 - 56 | 55% |
| 57 - 60 | 50% |

For the taxes which are regulated under this scheme, no additional interest and penalties will be imposed.

Termination of the scheme

A scheme will be automatically be terminated in specific cases of non-compliance by the taxpayer. Those are listed below:

- failure to file tax and VAT returns during the settlement scheme, or
- failure to settle a liability that relates to a period after the 31st December 2015, or
- delay in payment of any 3 instalments, or
- delay in payment of an instalment for more than 3 consecutive months, including the month the instalment.

The Taxation Department of Costas Tsielepis & Co Ltd advises its clients who wish to apply for the scheme to submit all the required Income Tax Returns and to register in the Government Gateway Portal "Ariadne" as soon as possible in order to avoid unnecessary delays and even the rejection of the application.

As always, we are at your disposal should you require any further information or clarifications.