



Special Contribution for Defence rate reduced

9 September 2019 - The Special Contribution for Defence rate on the interest income received by Cyprus tax resident domiciled individuals from corporate bonds has been reduced by 27%.

The relevant amendment to the Special Contribution for Defence Law (“The Law”) was published in the Official Government Gazette on 26 June 2019.

According to the amendment of the Law, effective on the day its publication, the tax rate applicable on passive interest income received by Cyprus tax resident domiciled individuals from corporate bonds is reduced from 30% to 3%.

Cyprus tax resident non-domiciled individuals are not affected by the above change.

The Department of Taxation of Costas Tsielepis & Co Ltd is at your disposal should you require any further information, clarifications or assistance with the above.