

Tax Diary

The tax diary as shown below highlights the due dates for the submission of Tax Returns, the due dates for the payment of taxes in order to **avoid** interest and penalties for individuals and companies.

<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
31 January	Submission and payment of deemed dividend distribution form up to 31 January which follows the 31 December of the second year which follows the year in which the dividend is to be distributed.	IR623	<p>Late submission results in the imposition of a penalty of €100. (pl. see also note 1 below).</p> <p>Interest is imposed at the rates (pl. see note 2 below) from the due date (i.e 1st February following the date of submission).</p> <p>Any person omitting to pay the due tax by the due payment date i.e 31st January is liable to pay 5% penalty on the tax due.</p>
31 March	Electronic submission of I.R.4 return for companies and for individuals with annual turnover over €70,000 who are obliged to submit audited accounts for the pre previous year.	I.R.1 I.R.4	<p>(a) An administrative penalty of €100 will be imposed when the return is submitted after 31st March following the second-year after the year of assessment (pl. see also note 1 below)</p> <p>(b) If the tax is not paid by the due date, interest is imposed at the rates (pl. see note 2 below). Any outstanding tax due is liable to an additional penalty 5% in the case where the self assessment tax return is not submitted within 30 days after 31st March and payment of the tax due is not made.</p>



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
31 May	Electronic submission of employers' return.	I.R.7	An administrative penalty of €100 will be imposed to a person (individual or company) who refuses to submit the IR7 for the previous year by 31 May following the year of assessment (pl. see also note 1 below).
30 June	Submission and payment of contribution to the Defence Fund on rental income and on dividends and interest from sources outside the Republic for the first six month period.	IR601	Interest at the rates (pl. see note 2 below) is imposed from the first day after the end of the six-month period (interest is calculated daily).
31 July	Submission of personal tax return for employees for the previous year when their gross income exceeds €19,500.	I.R.1	<p>a) An administrative penalty of €100 will be imposed when the return is submitted after 31st July following the year of assessment (pl. see also note 1 below).</p> <p>(b) If the tax is not paid by the due date (i.e. by 30th June, following the year of assessment) when the assessment is raised interest is imposed at the rates (pl. see note 2 below), any outstanding tax due is liable to an additional penalty of 5% when payment of the tax due is not made.</p>
31 July	Payment of prior year's balance of income tax through self assessment by individuals who do not prepare audited accounts but are obliged to issue invoices and receipts.	IR158	If the tax is not paid by the due date, interest is imposed at the rates (pl. see note 2 below). Any outstanding tax due is liable to an additional penalty 5% in the case where the self assessment tax return is not submitted within 30 days after 31 July following the year of assessment and payment of the tax due is not made.



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
31 July	<p>Submission of Temporary Tax Assessment for the current year for self employed individuals and companies respectively.</p> <p>Payment of first instalment of tax based on the Temporary Tax Assessment.</p>	I.R.5 I.R.6A	<p>If any instalment of the temporary tax assessment is not paid by the due date, interest at the rates (pl. see note 2 below) is imposed. If the payment of the first instalment is not made up to 31 August 5% additional tax on the tax due is imposed.</p> <p>In case an upward revised Temporary Tax Assessment is made in December as the first and second instalments should be the same, interest on the difference between the revised and the initial amount of the first instalment at the rates (pl. see note 2 below) for four months is payable.</p>
31 July	Electronic submission of employees' tax return.	I.R.1	<p>(a) An administrative penalty of €100 will be imposed when the return is submitted after 31st July following the year of assessment (pl. see also note 1 below).</p> <p>(b) If the tax is not paid by the due date when the assessment is raised, interest is imposed at the rates (pl. see note 2 below). Any outstanding tax due is liable to an additional penalty of 5% when payment of the tax due is not made.</p>
1 August	Payment of prior's year balance of income tax through self-assessment for self employed individuals and companies.	IR158A	If the tax is not paid by the due date, i.e 1 st August following the year of assessment, interest is imposed at the rates (pl. see note 2 below). Any outstanding tax due is liable to an additional penalty of 5% in the case where the self assessment tax return is not submitted within 30 days after 1 August and payment of the tax due is not made.



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
31 December	Submission of Revised Temporary Tax Assessment for self employed individuals and companies respectively. Payment of Second instalment of tax based on the Temporary Tax Assessment.	I.R.5 I.R.6	If any instalment of the temporary tax assessment is not paid by the due date, interest at the rates (pl. see note 2 below) is imposed. In addition, a penalty is imposed equal to 10% of the difference between the tax due per the final assessment and the tax per the temporary assessment or the revised temporary assessment which can be made up to 31 st December, if temporary taxable income is less than 75% of the taxable income per the final assessment.
31 December	Submission and payment of contribution to the Defence Fund on rental income and on dividends and interest from sources outside the Republic for the second six month period.	IR601	Interest at the rates (pl. see note 2 below) is imposed from the first day after the end of the six-month period (interest is calculated daily).



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
By the end of the next month	Tax deducted from employees emoluments.	IR61	If the tax is not paid by the end of the next month interest at the rates (pl. see note 2 below) is imposed from the due date and an additional penalty of 1% per month for as long as the delay continues.
By the end of the next month	Submission and payment of contribution to the Defence Fund withheld from dividends, interests and from rental income payable by companies and other corporations as tenants.	IR601 IR61AM IR603 IR602 IR614	Interest at the rates (pl. see note 2 below) is imposed after the end of the month in which the withholding of the defence contribution was made (interest is calculated daily).
By the end of the next month	Social insurance deducted from employees emoluments.	YKA2-002	If social insurance contributions are not paid by the end of the month following the month the social insurance contributions were deducted from employees' emoluments a penalty of 3% for each month of delay as long as the delay continues is imposed. The total amount of the penalty cannot exceed 27% of the amount due.



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
Within 30 days from the date of the sale agreement	Payment of Capital Gains Tax.	IR401	Interest is imposed at the rates (pl. see note 2 below) from the due date i.e 30 days after the date of the sale agreement. Any person omitting to pay the due tax by the due payment date is liable to 5% penalty on the tax due.
By the end of the next month	Social insurance deducted from employees emoluments.	YKA2-002	If social insurance contributions are not paid by the end of the month following the month the social insurance contributions were deducted from employees' emoluments a penalty of 3% for each month of delay as long as the delay continues is imposed. The total amount of the penalty cannot exceed 27% of the amount due.
Within 30 days from the date of the sale agreement	Payment of Capital Gains Tax.	IR401	Interest is imposed at the rates (pl. see note 2 below) from the due date i.e. 30 days after the date of the sale agreement. Any person omitting to pay the due tax by the due payment date is liable to 5% penalty on the tax due.



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
Within 60 days	Obtaining a Tax Identification Code: Following the registration or incorporation of a company with the Registrar of Companies, the company is obliged to submit an application for registration with the Tax Department. Similar rules apply in the case of companies incorporated outside Cyprus that become tax resident of Cyprus.	IR162	Late registration with the Tax Department results in the imposition of a penalty equal to €100.
Within 60 days period of such change	Notification of changes of company details (i.e. registered office, activities, auditors etc.)	I.R.162 I.R.162A	Late communication of changes to the Tax Department results in the imposition of penalty equal to €100. The penalty is applicable on each change not communicated.
Four months from the month of the transaction	Updating of books and records by businesses which are obliged to keep accounting books.		Late update of the books and records results in the imposition of a penalty equal €100 (on a quarterly basis).
Within 30 days	Issuance of invoices within 30 days from when the transaction was made, unless the taxable person requests in writing and receives such extension from the Commissioner.		Late issuance of invoices results in the imposition of a penalty equal to €100. The penalty is imposed on a monthly basis irrespective of the number of invoices failed to be issued within a specific month.



<u>Date</u>	<u>Obligation</u>	<u>Form</u>	<u>Imposition of interest & penalties</u>
At the end of the financial period	Stock taking must be conducted annually by businesses which have inventory.		Failing to perform a stock take results in the imposition of a penalty equal to €100.
Within the timeframe specified by the tax authorities	Submission of information requested in writing by the tax authorities.		Late submission of information requested by the Tax Department results in the imposition of a penalty equal to €200.
By the 10 th of the second month after the end of the VAT period	Submission of VAT Return and payment of VAT due.	VAT4	Late payment of outstanding VAT results in the imposition of an automatic penalty of €51 and a penalty of 10% on the outstanding amount and interest at the rates (pl. see note 2 below) on the amount of VAT due.
By the 15 th of the next month	Submission of VIES.	VIES 1	Late submission of VIES form, results in the imposition of penalty of €50.
By the 10 th of the next month	Submission of intrastat.	Instratat 1.1 Instratat 1.2	Late submission of intrastat form, results in the imposition of a penalty of €15.





Note 1

An administrative penalty of €200 to a person (company or individual) is imposed for every income tax return where such return is demanded by the Commissioner of Taxation to be submitted under the Income Tax Law and is not submitted within the specified period stated on the demand letter.

It should be noted that no penalty is imposed where the tax return is submitted timely, the tax due based on the tax return is timely paid and the Tax Department raises the assessment after the lapse of the 3 years from the date of submission of the return. When an assessment is raised by the Tax Department and there is a late payment of the tax after the period of 30 days from the due date of payment, an additional tax of 5% on the tax due is imposed.

When a self-assessment is submitted, 5% additional tax is imposed on the balance of the tax due when the payment is made after the lapse of 30 days from the due date of the submission of the return.

Note 2

The official interest rate, as set by the Minister of Finance is as follows:

		<u>Interest rates p.a</u>
Up to the year	2006	9%
For the years	2007-2009	8%
For the year	2010	5.35%
For the years	2011-2012	5%
For the year	2013	4.75%
For the year	2014	4.5%
For the years	2015-2016	4%
For the years	2017-2018	3.5%
For the year	2019	2%
For the year	2020	1.75%
For the year	2021	1.75%
For the year	2022	1.75%

Interest is calculated for completed months except where it is stated that it is calculated daily.