



## Cyprus Tax News

# Reminder of the upcoming submission deadlines for CbC Reporting obligations

We would like to remind you that **31<sup>st</sup> of December 2023** is the submission deadline for the following Country-by-Country (“CbC”) Reporting obligations in Cyprus:

- Submission of CbC Reports for the 2022 Reporting Fiscal Year (in respect of MNE groups which have a year end of 31 December 2022<sup>1</sup>).
- Submission of CbC Notifications for the 2023 Reporting Fiscal Year (in respect of MNE groups which have a year end of 31 December 2023<sup>1</sup>).

### To whom do the CbC requirements apply?

CbC Reporting applies to large multinational enterprise (“MNE”) **groups with annual consolidated group revenue of €750 million or more in the preceding fiscal year.**

Cypriot Constituent Entities, as defined in the legislation, of such MNE groups must file CbC Notifications in Cyprus.

Certain Cypriot Constituent Entities also have an obligation to file a CbC Report in Cyprus (e.g. in case they are the Ultimate Parent Entity, are appointed as a Surrogate Parent Entity or where a local secondary filing obligation arises<sup>2</sup>).

### What is the mechanism to submit the CbC report and notifications?

CbC reports and notifications are filed through the [gov.cy](https://gov.cy) portal. Each Constituent Entity of an MNE group that makes a filing needs to be registered with this portal for CbC purposes.

### What are the penalties for non-compliance?

A penalty of up to **€10.000** and **€5.000**, in respect of each CbC Report and notification respectively, may be imposed on a Cypriot Constituent Entity for non-compliance. Under certain circumstances each penalty may be increased up to **€20.000**.

### How can we help?

Taxpayers falling within scope of the above rules are advised to act promptly in order to ensure that they meet their CbC Reporting obligations on time.

We are at your disposal to assist you with meeting the above deadlines.

<sup>1</sup> In case the accounting year end is not 31 December, different deadlines apply.

<sup>2</sup> Whether a local secondary filing obligation arises should be considered on a case by case basis and will depend on certain factors including, amongst others, the jurisdiction of residence of the UPE or SPE and whether or not there is an activated exchange relationship between that jurisdiction and Cyprus.

In respect of MNE Groups where the UPE is resident in the USA, it is of relevance to note that as at the date of this Alert, the bilateral CbCR exchange agreement between Cyprus and the USA is still under negotiation. Assuming that no agreement is reached and in effect by the end of 2023, the local secondary filing mechanism for CbC Reports will be triggered for the Reporting Fiscal Year ended 31 December 2022. As in previous years, the Cyprus Tax Department may issue an announcement, in the coming weeks, to confirm the status of this.

## Get in touch

©2023 Deloitte Limited

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication.

Deloitte & Touche (M.E.) LLP ("DME") is the affiliate for the territories of the Middle East and Cyprus of Deloitte NSE LLP ("NSE"), a UK limited liability partnership and member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL").

Deloitte refers to one or more of DTTL, its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL, NSE and DME do not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 130 countries and territories, serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 410,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

Deloitte Limited, a private limited liability company registered in Cyprus (Reg. No. 162812) is the sub-licensed affiliate of Deloitte NSE for Cyprus. Deloitte Limited is among the leading professional services firms in Cyprus, providing audit & assurance, consulting, financial advisory, risk advisory, tax and related services as well as a complete range of services to international business through over 750 people in Nicosia and Limassol. For more information, please visit [www.deloitte.com/cy](http://www.deloitte.com/cy).

Deloitte Limited would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte Limited accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2023 Deloitte Limited. All rights reserved.