



## Cyprus Tax News

# Reminder for Provisional tax for 2020

We would like to remind you that the **31<sup>st</sup> of December 2020** is the **submission deadline** for a **revised** (where needed) **provisional tax calculation** for 2020 and the **payment deadline** for the **second provisional tax instalment** for 2020.

### Provisional tax payment obligation

The following persons should [re-consider](#) whether they should submit a provisional/temporary tax calculation and pay provisional tax:

- Individuals with taxable income other than salaries, pensions, dividends and interest, and
- Companies with taxable income.

### Payment of the second provisional tax instalment (assuming no revision)

A taxpayer can pay the second provisional tax instalment (as per the initial provisional tax calculation), within one month from the payment deadline (i.e. until **31 January 2021**) without interest or penalties.

The timely payment of the second provisional tax instalment can be made via [JCCsmart](#) or via **online banking**, using the unique Payment Reference Number (**PRN**) made available by the [Tax Portal](#) of the Tax Department (**TD**). Such PRN should have been automatically created following the payment of the first provisional tax instalment.

Late payment of provisional tax can only be made via online banking and will also be subject to interest at the current rate of 1,75% per annum plus a 5% penalty on the tax due. An additional penalty of 5% may be imposed by the TD, if the tax remains unpaid two months after the above due date.

### Option to revise provisional tax calculation and payment of remaining provisional tax due

In case a taxpayer revises its provisional tax calculation, any outstanding provisional tax will need to be settled until **31 December 2020**.

For the practical details on how to proceed with the submission of a revised provisional tax calculation, please refer to the latest [guidance](#) issued by the TD (only available in Greek) or contact the Deloitte business tax team.

In case of an upward revision of the provisional taxable income declared, interest at 1,75% per annum would be imposed on the additional amount of the first provisional tax instalment.

### **Imposition of 10% additional tax if final tax is underestimated**

Taxpayers are reminded that where the provisional taxable income declared is less than 75% of the final taxable income for the year, an additional tax is imposed, equal to 10% of the difference between the final tax due and the provisional tax paid.

### **How can we help?**

We are at your disposal to assist you with the calculation of the provisional tax as well as with the timely administration of the provisional tax payments.

**Get in touch**

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