



## Cyprus Tax News

### Increase of the limit for certain allowances for individuals from 1/6 to 1/5

On 19 December 2019, an amending Income Tax Law (ITL) was published in the Official Gazette, providing for an increase to the annual limit for certain allowances which are deductible from an individual's taxable income.

The limit of the allowances provided for in article 14 of the ITL is increased from 1/6<sup>th</sup> to 1/5<sup>th</sup> of an individual's taxable income before such allowances. These include contributions to:

- Social Insurance Fund;
- Approved Pension and Provident Funds;
- General Healthcare System;
- Life insurance policies;
- Medical and other approved funds

Although this is not clearly stated in the Gazette, we understand that this is applicable from tax year 2019 onwards.

Employers should re-consider their December payroll calculations taking into account the above amendment.

#### How can we help?

Please contact us to discuss how the above amendment affects you and your business.



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