Cyprus Tax News

Circular issued setting out clarifications on the penalties imposed for non-compliance with DAC6 obligations

Following the transposition of DAC6 into domestic legislation (click here for our relevant alert) and the issuance of the related Guideline in the form of a Decree (click here for our relevant alert), on 19 November 2021 the Tax Department (TD) issued a Circular which sets out certain clarifications on the administrative fines imposed for non-compliance with the DAC6 reporting obligations.

Based on the law, administrative fines are imposed for the below infringements:

- Up to €20.000 for failure/delay to submit information for a Reportable Cross-border Arrangement (RCBA)
- Up to €20.000 for failure/delay to notify for the application of a waiver
- Up to €10.000 for submission of incomplete/misleading information
- Up to €10.000 for failure to submit information within the prescribed deadlines
- Increase up to €20.000 for failure to pay the administrative fine and continuation of the infringement.

Click here to view the administrative fine for each infringement.

The Circular provides for the below clarifications in relation to the aforementioned fines, subject to conditions:

- Annual cap of €120.000 per intermediary or taxpayer
- 50% reduction of administrative fines in certain cases
- Cases of incorrect law interpretation due to insufficient or late issuance of guidelines
- Minimum period for books and record keeping and imposition of administrative fines.

Click here to view more details for the clarifications.

Furthermore, the Circular outlines the method of imposition of the administrative fines as well as the hierarchical appeal process.

How can we help?

Our DAC6 dedicated team is at your disposal to ensure compliance with the DAC6 requirements in order to avoid the imposition of administrative fines.

Get in touch