



## Cyprus Tax News

### Payment of 1st provisional tax instalment for tax year 2019

Deloitte would like to remind you that the deadline for the payment of the first provisional tax instalment for tax year 2019 is the **31<sup>st</sup> of July 2019**.

#### **Provisional tax payment obligation**

The following persons should consider whether a provisional tax payment would arise based on their expected annual taxable income:

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

#### **Payment of provisional tax**

The provisional tax is calculated by applying the relevant tax rates (depending whether the taxpayer is an individual or a company) on the expected taxable income for the year, after taking into account any overseas tax credits and is payable in two equal instalments, as follows:

- **31 July 2019** – 1<sup>st</sup> instalment
- **31 December 2019** – 2<sup>nd</sup> instalment

If any instalment is not paid by the end of the month following the above due dates (i.e. 31 August 2019 and 31 January 2020 respectively), interest is chargeable at the rate in force (currently at 2% per year) as well as a penalty of 5% on the tax due. An additional penalty of 5% is imposed if the tax remains unpaid two months after the above due dates.

The timely payment of provisional tax can be made through [jccsmart.com](http://jccsmart.com) (JCC), the card payment processing system that facilitates the electronic settlement of taxes. To be able to pay the provisional tax via JCC, a valid debit or credit card is required (please refer to the attached).

Please note that overdue payments cannot be settled via JCC and can only be processed at the District Offices of the Tax Department.

### **10% additional tax in case of underestimation**

Following the calculation of the final taxable income, if the provisional taxable income declared is less than 75% of the final taxable income for the year, then the taxpayer is required to pay an additional tax equal to 10% of the difference between the final tax due and the provisional tax paid.

### **Revised provisional tax calculation**

Taxpayers can revise their provisional tax calculation until **31 December 2019**.

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

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

#### Get in touch

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