



Cyprus Indirect Tax News

Option for the settlement of VAT in instalments without the imposition of additional tax and interest

On 2 November 2020, an amendment to the VAT Law was published in the Official Gazette allowing for the VAT that is due on 10 November 2020 to be settled in six (6) equal monthly instalments without the imposition of additional tax and interest.

The instalment option is available only for the VAT liability of the quarterly or monthly VAT return periods ending on 29 February 2020, 31 March 2020, 30 April 2020, 31 May 2020 and 30 June 2020, where an initial payment extension was granted until 10 November 2020.

In addition, the non-imposition of additional tax and interest will apply only if the total VAT liability for the above-mentioned VAT periods is settled to the Cyprus Tax Authorities in six (6) equal instalments that are paid by the 10th day of each month.

Thus, the first instalment must be made by 10 November 2020 and the final instalment by 10 April 2021. Therefore, each instalment should be made by 10/11/2020, 10/12/2020, 10/01/2021, 10/02/2021, 10/03/2021 and 10/04/2021 the latest.

An option is also available for fewer, consecutive monthly instalments provided the amount of each instalment is not less than 1/6th of the VAT liability as at 10 November 2020.

How can the Indirect Taxation Team of Deloitte help you?

We are at your disposal to discuss the above and advise on how the above might impact your business.



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