



Cyprus Tax News

Reminder for provisional tax for tax year 2021

We would like to remind you that the **31st of December 2021** is the **submission deadline** for a **revised** (where needed) **provisional tax calculation** for 2021 and the **payment deadline** for the **second provisional tax instalment** for 2021.

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 2022**) 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 be 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 2021**.

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.

In case of a downward revision, forms T.D.5 (Individuals) and T.D.6 (Companies) should be sent to the local District Tax Collection Offices via e-mail.

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.

It is important to note that as per [Circular 54](#), for employees and pensioners whose **emoluments** are **higher** than their **other income** and they have paid the tax which relates to at least 75% of the total income through withholding by the employer (under the PAYE system), the additional tax of 10% is **not** imposed.

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



© 2021 Deloitte Limited

This communication contains information, which is confidential. It is exclusively to the intended recipient(s). If you are not the intended recipient(s), please: (1) notify the sender by forwarding this email and delete all copies from your system and (2) note that disclosure, distribution, copying or use of this communication is strictly prohibited. Any erroneous disclosure, distribution or copying of this email communications cannot be guaranteed to be secure or free from error or viruses.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte & Touche (M.E.) LLP (DME) is the affiliate for the territories of the Middle East and Cyprus of Deloitte NSE LLP ("NSE"), a UK limited liability partnership and member firm of DTTL.

Deloitte Limited, a private limited liability company registered in Cyprus (Reg. No. 162812) is the sub-licensed affiliate of Deloitte NSE for Cyprus. Deloitte Limited is among the leading professional services firms in Cyprus, providing audit & assurance, consulting, financial advisory, risk advisory, tax and related services as well as a complete range of services to international business through over 750 people in Nicosia and Limassol. For more information, please visit www.deloitte.com/cy.

Offices: Nicosia, Limassol

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.