

## T&L D-briefs series

March 2024

Stay on top of tax and legal (T&L) issues that impact your business through our bi-monthly [T&L D-briefs](#).

In this issue, we:

- Share our thoughts on how **artificial intelligence** could be an enabler to Tax Directors of large multinationals.
- Share **recent local & international tax developments**.
- Clarify **what you need to know in relation to TP documentation**.
- Inform you about the **abolition of the annual levy** from 2024 onwards.

T&L D-briefs  
March 2024  
Issue 2

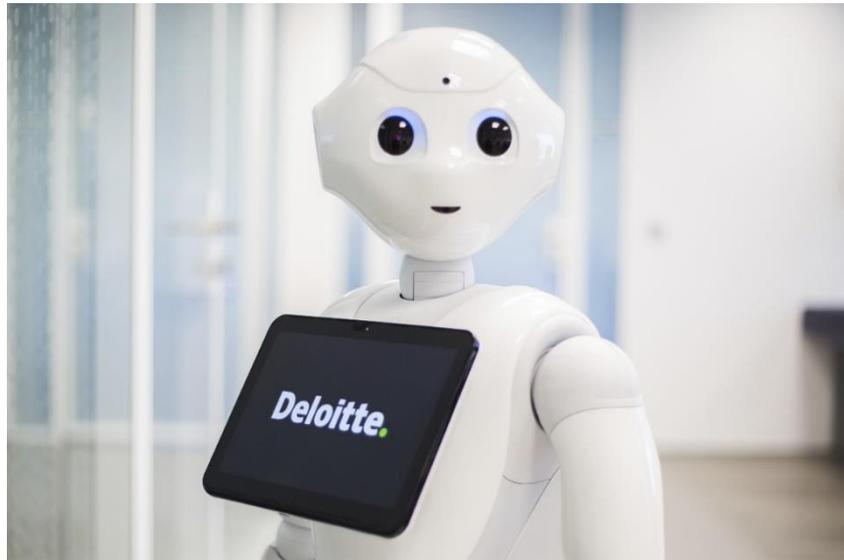
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## What's hot?

### Generative AI: What should Tax Directors be thinking about?

Generative AI is gaining significant attention. Tax professionals now have access to powerful AI-enabled solutions that can revolutionize their decision-making processes. In [this publication](#), we provide tax directors with a **strategic framework** for integrating Generative AI within their tax function. We also address the **risks** associated with AI and the importance of developing a longer-term strategy to harness its potential.



## Tax Developments

### International Tax Developments

#### Revised "EU Blacklist"

On **20 February 2024**, EU Member States decided (link [here](#)) to **remove four jurisdictions** – the Bahamas, Belize, Seychelles, and Turks and Caicos Islands – from the EU list of non-cooperative jurisdictions for tax purposes (Annex I), also known as "**the EU Blacklist**".

It is worth highlighting that subject to conditions, Cyprus applies withholding taxes (click [here](#) for more) on certain outbound

payments of dividends, interest, and royalties if the recipient is a company based in a black listed country.

The EU Blacklist is also relevant for DAC6 purposes, as payments made from a Cyprus tax resident company to a company resident for tax purposes in a jurisdiction that is included in the EU Blacklist may trigger a reporting obligation, irrespective of whether the transaction is aimed at generating a tax benefit.

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## Local Tax Developments

### Stamp duty examinations

On 12 March, the Cyprus Tax Authorities (CTA) issued an announcement (link [here](#)) reminding taxpayers that stamp duty is payable on all agreements and documents which involve property situated in Cyprus as well as matters or issues which take place in Cyprus.

Documents relating to assets and liabilities outside Cyprus are usually considered as involving matters or issues outside Cyprus.

According to the announcement, the CTA intends to carry out examinations, ensuring the correct application of the Stamp Duty Law, commencing from contracts signed in the broader **construction industry**.

## Clarifying the TP documentation landscape

Recently, there have been significant developments in Cyprus with respect to the transfer pricing environment. Given the multiple sources of guidance and frequent updates, we decided to clarify **what companies need to know** by answering 20 key questions.



[Michael Michaelides](#)

Partner



Fivos Fieros  
Manager

## Business and other corporate matters

### Abolishment of annual levy

In a significant move, Cyprus has abolished the compulsory €350 annual fee for registered entities, effective from 2024. This decision is a part of broader economic initiatives aimed at bolstering the island's business sector. For more details, click on the link below.



[Nicholas Sofocleous](#)  
Director, Business Process Solutions

## Mark your calendar!

### 31 MARCH 2024

- Electronic submission of the income tax return for tax year 2022 for companies (TD4) that do not have an obligation to file a summary information table (SIT) as well as individuals (TD1A) preparing audited FS

### 30 APRIL 2024

- Payment of the first instalment of the premium tax for insurance companies (life business) for 2023



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