

T&L D-briefs series

November 2023

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 the most recent important **local and international tax developments**;
- navigate the complexities of **succession planning** and explore the interplay of international regulations and **tax implications** that are pivotal for global citizens and their successors;
- cover the implementation of the Final Solution of the electronic system of the **Register of Beneficial Owners**, effective as of 14 November 2023.

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Issue 6

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Business Tax

International tax developments

Is ATAD3/Un-Shell Directive going ahead?

ATAD 3, also known as the “[Unshell Directive](#)” is an EU initiative, with the objective of introducing tax and/or other consequences to undertakings within the EU which are presumably engaged in an economic activity but in reality, are not (“shell companies”).

It was **initially published in [draft](#) format in December 2021** with the intention to come into effect on 1 January 2024.

Fast forward to today and **the EU Directive remains in draft format**, as EU Member States (MS) have not yet managed to agree on its final form.

Between December 2021 and November 2023, several revised drafts have been discussed and analysed but EU MS continue to have disagreements.

EU MS will need to unanimously agree on the text of the proposed directive in order for this to be considered as final.

It remains to be seen how the final rules will be phrased and whether these will be unanimously supported.

Keep an eye on our D-briefs for the latest developments.

Local tax developments

Cyprus – Croatia tax treaty signed and published

On 17 October 2023, Cyprus signed a [treaty](#) for the avoidance of double taxation (“the treaty”) with Croatia, which was published in the Official Gazette on 27 October 2023.

Please refer to our relevant alert by clicking this [link](#).

Latest material issued by the [Cyprus Tax Department](#)

- [Circular 8/2023](#) – Submission of objections
- [Circular 9/2023](#) – Submission of revised income tax returns
- [TD announcement](#) – Obligation for payment of the contribution of 0,4% to the Central Agency for the Equal Distribution of Burdens due to the transfer of immovable property after sale, during the period 22/02/2021 until 18/11/2022.

Legal

Trusts and succession planning

Succession planning is not just a legal formality, but a strategic adventure in securing your family's future.

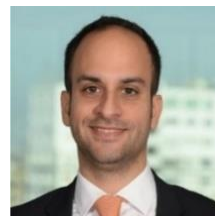
Our article navigates the complexities of succession planning and explores the interplay of international regulations and tax implications that are pivotal for global citizens and their successors.

Rear our article to discover how trusts can serve as a cornerstone for preserving your legacy, protecting wealth, and ensuring a fair and flexible transition of assets.



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Business and other corporate matters

Implementation of the Final Solution of the electronic system of the Register of Beneficial Owners

The Department of the Registrar of Companies and Intellectual Property recently announced the implementation of the Final Solution of the electronic system of the Register of Beneficial Owners effective as of 14 November 2023.

Read our article to learn the details.



[Nicholas Sofocleous](#)

Director, Business Process Solutions

Mark your calendar!

30 NOVEMBER 2023

- No tax deadlines on this date.

31 DECEMBER 2023

- Submission of the 2023 revised **provisional tax return** (if applicable) and **payment** of the second instalment of provisional tax
- **Payment** of SDC on rents, dividends or interest from sources outside of Cyprus for the last 6 months of 2023
- Payment of the third and last instalment of the premium tax for insurance companies (life business) for 2023.



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