

Cyprus: Extension of the Procedure for the Settlement of Overdue Tax Liabilities

For additional information, please contact the following:

Philippos Raptopoulos
Phone: +357 25 209 740
E-mail:
Philippos.Raptopoulos@cy.ey.com

Petros Liassides
Phone: +357 22 209 797
E-mail: Petros.Liassides@cy.ey.com

George Liasis
Phone: +357 22 209 759
E-mail: George.Liasis@cy.ey.com

Myria Saporilla
Phone: +357 25 209 737
E-mail: Myria.Saporilla@cy.ey.com

Further to our Tax Alert issued in June 2017, relating to the new law for the settlement of overdue taxes, we would like to inform you that the Cyprus House of Representatives has voted for an amendment to this law (L.4(I)/2017) (“**Law**”) which effectively provides for an extension to the period during which an application for the settlement of overdue tax liabilities can be made.

More specifically, as per the amending law, the period during which taxpayers will be in a position to apply through the Ariadne Governmental Portal, for the settlement of their Overdue Tax Liabilities, has been extended by 3 months.

As such, taxpayers will be able to apply for the settlement of their overdue taxes by the 3rd of January 2018.

In addition to the above, the amending law provides that all tax returns due, up to and including the tax year 2015, must be submitted not later than the 30th of June 2018 in order for a taxpayer to opt for settlement of any overdue taxes, that will be assessed in the future, through the procedure prescribed in this law.

How can EY help?

There are a number of benefits derived from this development, both obvious and hidden. Utilising the full extent of such benefits requires a coordinated and structured approach. EY Cyprus remains at your disposal for professional and personalised advice based on your specific case at hand. We would be delighted to be engaged in assessing current status and circumstances and evaluate potential opportunities in the context of the above new law.

Final remarks

The information in this memorandum is only intended to provide general guidelines and is not intended to be complete or exhaustive. This memorandum is distributed with the understanding that Ernst & Young Cyprus Ltd is not responsible for the result of any actions taken on the basis of information included therein. Ernst & Young Cyprus Ltd is not attempting through this memorandum to render any tax or legal advice. It is recommended to consult with professional advisors for advice concerning specific matters before making any decision. This memorandum reflects current information as of 31 May 2017 based on tax laws currently in force and tax circulars issued by the Cypriot tax authorities.

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