

Tax Memo 5

General

1. Arrangement of Overdue Taxes

The House of Representatives had passed on 24 November 2011 Law setting out special arrangement for tax debts until the year 2008. More specifically the new Law provides that all interest and additional charges beyond 5% on any tax assessment referring to fiscal years until 2008 are written off.

Applicable: The Law enters into force upon its publication in the Official Gazette and expires on 30 March 2012.

2. Inland Revenue Announcement

The Inland Revenue Department has issued a notice which informs all Companies and Self Employed persons who are engaged in any business and trading activity, that in 2011 and early 2012, tax officers will carry out field visits on the basis of verification of the issue of invoices and receipts and the legality thereof, in accordance with the applicable Law and Regulations issued.

3. Reminder on payments

Recall that during the following dates, corresponding payments should be made in order to avoid interest and penalties.

31 December 2011

31 January 2012

Special Companies Levy of €350 for the year 2011
17% Special Defence Contribution in respect of
Dividends paid or Deemed Dividends for the year
2009. Please note that this is applicable only for
shareholders who are Tax Residents in Cyprus.

December 2011