

June 2023

Nicosia, Cyprus

Provisional tax for the tax year 2023

Cyprus companies and individuals with taxable income other than salaries, pensions, dividends and interest are required to apply a provisional tax calculation of their 2023 estimated taxable income under the Cyprus Income Tax Law.

The provisional tax is due in two equal instalments before or on the following dates:

Provisional tax instalments	Statutory deadline	Effective deadline (No interest/penalty)
1 st instalment	31 July 2023	31 August 2023
2 nd instalment	31 December 2023	31 January 2024

All taxpayers have the right to revise their estimated taxable income at any time before 31 December 2023:

- In case of an upward revision, interest is payable on the difference between the revised amount payable and the amount initially declared and paid for the 1st instalment.
- It is noted that for downward revisions, forms T.D.5 (Individuals) and T.D.6 (Companies) should be submitted via email to the Tax Department.

Payments made after the effective deadline will be subject to interest at the current rate of 2,25% per annum (calculated on a completed months basis) plus a 5% penalty on the tax due.

It is highlighted that where the provisional taxable income declared and paid is less than 75% of the final taxable income for the year, then an additional tax is imposed, equal to 10% of the difference between the final tax due and the provisional tax paid. Please note that the final tax liability should be settled by 1 August 2024.

How HLB can help

To ensure timely preparation and submission of the relevant forms and payment of the provisional tax, if any, it is advisable that you provide to our tax team the projected results for the year 2023 by 15 July 2023 (i.e. trial balances, so we can proceed with the calculation of provisional tax before the above-mentioned deadlines).

Our team can further assist with the calculation and submission of the relevant tax assessment in the tax portal of the Cyprus Tax Department and assist with the settlement of the provisional tax installments.

Should you require further assistance and/or clarifications please contact our team of experts at tax@hlb.com.cy.

Yours Sincerely

HLB Cyprus Ltd



Address: Palaceview House, Corner of Prodromos Str.
& Zinonos Kitieos, CY-2064 Nicosia, Cyprus
P.O. Box: 16006, CY-2085 Nicosia, Cyprus
Telephone: +357 22002700
Fax: +357 22002800
Email: nicosia@hlb.com.cy
Website: www.hlb.com.cy

GET IN TOUCH

Tax Department

Marios Hadjihannas
Board Member – Head of Tax & Legal
Nikos Kontozis
Tax Senior Manager
Elena Christodoulou
Tax Senior Manager

This publication has been prepared as a general guide and is not a substitution for professional advice. For further information and/or clarifications the readers may contact the tax team of HLB Cyprus Ltd. Expertise which has been gained over years is applied to assist our clients to resolve their needs as well as to achieve their goals.