

June 2024

Nicosia, Cyprus

Provisional tax for the tax year 2024

Cyprus companies and individuals with taxable income other than salaries, pensions, dividends and interest are required to apply a provisional tax calculation of their 2024 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 2024 | 31 August 2024 |
| 2 nd instalment | 31 December 2024 | 31 January 2025 |

All taxpayers have the right to revise their estimated taxable income at any time before 31 December 2024:

- 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 the revised provisional tax to be effected, revised assessments must be submitted via Tax Portal.

Payments made after the effective deadline will be subject to interest at the current rate of 5% per annum (calculated on a complete 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 31 August 2025.

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 2024 by 12 July 2024 (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

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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.