

June 2025

Nicosia, Cyprus

Provisional tax for the tax year 2025

Cyprus companies and individuals with taxable income other than salaries, pensions, dividends and interest are required to apply a provisional tax calculation of their 2025 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 2025	31 August 2025
2 nd instalment	31 December 2025	31 January 2026

All taxpayers have the right to revise their estimated taxable income at any time before 31 December 2025:

- 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 2026.

How HLB can help

To ensure timely preparation and submission of the relevant forms and payment of any provisional tax due, we kindly request that you provide our tax team with the projected financial results **for the period 1 January 2025 to 30 June 2025** by 11 July 2025.

In particular, please share the **latest available trial balances and detailed ledgers** and any other supporting schedules if available so we can proceed with the provisional tax calculations. Please note that the projected results will be extrapolated to cover the full 12-month period, and tax will be computed on this basis.

Additionally, if you anticipate any unusual or significant transactions occurring in the second half of the year that may materially impact the final result, please inform us accordingly.

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

Yours Sincerely

HLB Cyprus Ltd



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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.