



Cyprus Tax News

Amendments to the Immovable Property Tax Law

The Immovable Property Tax (Amending) Law was published in the Gazette on 11 July 2014 and its provisions are effective from 1 January 2014. According to the amended Law, the immovable property tax continues to be imposed on an annual basis on all immovable property situated in Cyprus. The tax is imposed on the value of immovable property as at 1 January 1980 owned by each person as at 1 January and the applicable bands and rates remain the same as in tax year 2013. No such tax is imposed on immovable property situated outside Cyprus.

The new amending law provides for the following changes:

Issue 13/2014
8 August 2014

Contacts:

Nicosia offices
infonicosia@deloitte.com
tel: +357 22 360300

Limassol offices
infoLimassol@deloitte.com
tel: +357 25 868686

Larnaca offices
infoLarnaca@deloitte.com
tel: +357 24 819494

Responsibility for paying the tax in case of sale without the issuance of a title deed and/or effective transfer of the property

In case an immovable property has been developed and sold but the corresponding title deeds have not yet been issued or if they were issued, the transfer of ownership to the purchaser has not yet been effected, the existing owner may submit to the Director of Tax on or before **25 August 2014**, a statement listing such properties for which a sales contract was in place as at 1 January 2014.

For the purposes of the above provision of the law, the Department of Taxation has prepared a special form (**Form T.Φ.317 2014**) which is currently only available in Greek language on the Department's website. The form should be completed and submitted electronically.

Where the owner completes and submits the abovementioned form within the prescribed due date, the payment obligation of the immovable property tax with respect to such properties will be transferred to the respective purchaser, assignee or beneficiary and the Director should issue the relevant immovable property tax assessment in the name of the purchaser, assignee or beneficiary.

Where a person fails to submit the required form prior to the deadline, he/she remains liable to pay the immovable property tax.

The above provisions of the Law shall not apply in cases where the issue of the title deed was willfully delayed by the owner or in cases where the owner is a legal person under liquidation.

Payment date, discounts and penalties

The immovable property tax for tax year 2014 is payable on or before 30 November 2014.

Every person who settles its tax liability at least one month in advance, i.e. on or before 31 October 2014, will benefit from a 15% discount on the tax due. Every person who settles its tax liability after 30 November 2014 will be subject to an additional charge of 10%, plus interest and penalties.

We are at your disposal to assist you with the preparation and submission of the relevant immovable property tax form and in calculating and administering the payment of the tax due.

Deloitte refers to one or more Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries with a globally connected network of member firms in more than 150 countries. Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

Deloitte Limited is the Cyprus member firm DTTL. Deloitte Cyprus is among the nation's leading professional services firms, with more than 500 professionals, operating out of offices in all major cities. For more information, please visit the Cyprus firm's website at www.deloitte.com/cy.

Deloitte Limited is a private company, registered in Cyprus (Reg. No. 162812). Offices: Nicosia, Limassol, Larnaca.

This communications contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2014 Deloitte Limited