



## Cyprus Tax News

### Reminder for provisional tax for tax year 2022

We would like to remind you that the **31<sup>st</sup> of December 2022** is the **submission deadline** for a **revised** (where needed) **provisional tax calculation** for 2022 and the **payment deadline** for the **second provisional tax instalment** for 2022.

#### Provisional tax payment obligation

The following persons should [re-consider](#) whether they should submit a provisional/temporary tax calculation and pay provisional tax:

1. Individuals with taxable income other than salaries, pensions, dividends and interest, and
2. Companies with taxable income.

#### Payment of the second provisional tax instalment (assuming no revision)

A taxpayer can pay the second provisional tax instalment (as per the initial provisional tax calculation), within one month from the payment deadline (i.e. until **31 January 2023**) without interest or penalties.

The timely payment of the second provisional tax instalment can be made via [JCCsmart](#) or via **online banking**, using the unique Payment Reference Number (PRN) made available by the [Tax Portal](#) of the Tax Department (TD). Such PRN should be automatically created following the payment of the first provisional tax instalment.

Late payment of provisional tax can only be made via online banking and will also be subject to interest at the current rate of 1,75% per annum plus a 5% penalty on the tax due. An additional penalty of 5% may be imposed by the TD, if the tax remains unpaid two months after the above due date.

## Option to revise provisional tax calculation and payment of remaining provisional tax due

In case of a downwards revision of the provisional taxable income declared, any outstanding provisional tax can be settled until 31 January 2023 without interest or penalties.

In case of an upward revision of the provisional taxable income declared, the additional amount of the first provisional tax instalment will need to be settled until 31 December 2022 with interest at 1,75% per annum applicable on late payments and imposed for each complete month of delay. The amount of the second provisional tax instalment can be settled until 31 January 2023 without interest or penalties.

In case of a downward revision, forms T.D.5 (Individuals) and T.D.6 (Companies) should be sent to the local District Tax Collection Offices via e-mail.

## Imposition of 10% additional tax if final tax is underestimated

Taxpayers are reminded that where the provisional taxable income declared is less than 75% of the final taxable income for the year, an additional tax is imposed, equal to 10% of the difference between the final tax due and the provisional tax paid.

It is important to note that as per [Circular 54](#), for employees and pensioners whose **emoluments** are **higher** than their **other income** and they have paid the tax which relates to at least 75% of the total income through withholding by the employer (under the PAYE system), the additional tax of 10% is **not** imposed

## How can we help?

We are at your disposal to assist you with the calculation of the provisional tax as well as with the timely administration of the provisional tax payments.

[Get in touch](#)

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