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## **Temporary Tax Assessment 2016**

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*We would like to bring to your attention that the Temporary Tax Assessment for the tax year 2016 is approaching. We urge you to give due consideration to the matter so as to ensure that the payment of the relevant tax liability is performed in a timely manner.*

### ***Deadline for Payment of Temporary Tax***

*In accordance with Article 24 of the Assessment and Collection of Taxes Law of 1978 as amended, all companies must notify the Commissioner of Taxation of their estimated temporary chargeable income, and consequently their resulting temporary tax for the year 2016, by 31 July 2016.*

*Based on the temporary tax computation, tax is payable in two equal instalments as follows:*

<i>1st Instalment</i>	<i>31 July 2016</i>
<i>2nd Instalment</i>	<i>31 December 2016</i>

*You should note that:*

- Non-payment on the due dates entails payment of interest at the rate of 4% per annum*
- Non payment on the due dates will also attract a monetary charge at the rate of 5%*
- If the estimated income declared in 2016 is less than the 75% of the final chargeable income as determined by the Income Tax return submitted for the year 2016 and as per the chargeable income as assessed by the Commissioner of Taxation, then any balance of tax payable is subject to an additional 10% charge*
- Revision of the original declaration is possible until 31 December 2016, with any revised tax amounts be equally apportioned over the two instalments, thus attracting 4% p.a. on past due instalments*
- Overpaid tax is refunded together with interest of 4% per annum as from 1st January 2016.*

- *Under the Income Tax law, all Cyprus tax resident companies are taxed at the rate of 12,5% on taxable income.*

*It is strongly recommended that you give due consideration to the matter, and we urge you to contact us in order to make all necessary arrangements for the filing of the returns on time and prompt payment of the relevant tax.*

*In case where we do not receive your reply by 30 July 2016, we will consider that the taxable income will be zero and therefore no declaration will need to be submitted*

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