

Corporate Tax - Cyprus

New law increases power of authorities to disclose information

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Towards the end of 2012 Parliament enacted a number of amendments to the tax and company laws. These aimed to streamline administrative procedures and to meet the government's joint commitments to the European Commission, the European Central Bank and the International Monetary Fund arising from its application for financial support (for further details please see "[Recent changes to corporate tax laws](#)").

These changes included the introduction of the Assessment and Collection of Taxes Law (197(I)/2012), which amends the previous Assessment and Collection of Taxes Law (4/1978) and aims to facilitate the exchange of information in the field of taxation.

Before the enactment of the amending law, the tax authorities were not authorised to disclose information to an overseas tax authority, except under a double tax agreement. Under the new law, tax information can be exchanged between Cyprus and any other country with which it has signed an agreement to exchange tax information.

Article 6 of the 1978 law empowered the tax authorities to require any person to make available information, records, books or any other document which they considered necessary to be disclosed under the double tax agreements to which Cyprus is a party. Following the enactment of the amending law, the scope of this power has been widened to allow the tax authorities to require information or documentation to be made available for the purposes of a tax information exchange agreement or in the context of the EU Directive on Administrative Cooperation in the Field of Taxation (2011/16/EC).

Article 6(b) of the 1978 law required the tax authorities to inform persons when they were the subject of any tax investigation process. The amending law allows the authorities to refrain from disclosure if they consider that it might jeopardise the effectiveness of the investigation.

The amending law also introduces a requirement for companies registered, but not tax resident, in Cyprus to submit financial information to the tax authorities in a prescribed form.

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