

Corporate Tax - Cyprus

Amnesty for late payment of tax penalties extended

Contributed by **Andreas Neocleous & Co LLC**

May 04 2012

In November 2011 Parliament enacted a law allowing for the partial write-off of interest and penalties on the overdue tax liabilities of companies and individuals in respect of tax years up to and including 2008. Interest and penalties on overdue income tax, special defence contribution tax, immovable property tax, stamp duty and capital gains tax were restricted to 5% of the principal amount owed, provided that the liability and the 5% surcharge were paid by March 31 2012 (for further details please see "[Parliament enacts tax amnesty law](#)").

At the end of March 2012 the deadline for the amnesty was extended by eight months. Therefore, interest and penalties are limited to 5% of the tax owed, provided that payment is made by October 31 2012.

When the amnesty was introduced in November 2011, the government estimated the outstanding tax arrears for tax years up to and including 2008 to be €355 million. It has not announced how much of this amount has been collected to date.

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