



**K. TREPPIDES
& CO LTD**

**Direct and Indirect Taxation
March Newsletter - Issue 03/2020**



***Tax and VAT measures voted by the Cyprus
Parliament to stimulate economic activity following
the Coronavirus outbreak***

In an effort to reduce the economic consequences of the recent outbreak of COVID-19, the Cyprus Parliament has voted the following tax and VAT related measures in order to support businesses and improve liquidity.

Direct Taxation measures

- The increased contribution to the General Healthcare System (GESI) is suspended for the period from 1 April 2020 to 30 June 2020. It is noted that for March 2020 the increased contributions will apply.
- The Minister of Finance has been granted the power to extend the deadline of submission of income tax returns as well as the deadline for the payment of tax liabilities. It is expected that a decree will be issued by the Minister of

Finance in the following days extending the deadline for submission of income tax returns and the deadline for payment of income tax liabilities.

- The payment of the installments for the months of March and April 2020 has been suspended for liabilities to social insurance related funds for which a repayment plan was active by 01/03/2020, and the deadline for settlement of the outstanding liabilities has been extended for 2 months.

Indirect Taxation measures

No penalty or interest, will be imposed to the VAT taxable persons on any VAT amount due as per the VAT returns for the quarter ended 29 February 2020 and quarters ending 31 March 2020 and 30 April 2020, provided that the VAT returns will be submitted by the due dates and that any VAT amount due is paid by the 10 November 2020.

The deadline for submission of the VAT returns for the above quarters remain the same which are as follows:

- Quarter ended 29 February 2020 is due by 10 April 2020
- Quarter ended 31 March 2020 is due by 10 May 2020
- Quarter ended 30 April 2020 is due by 10 June 2020

The above measure does not apply to the VAT taxable persons that are classified in the following categories:

- 35111 Producers of electricity
- 36001 Collection and distribution of water

- 47111 Groceries and supermarket that are mainly trading in food
- 47112 Convenience stores & Mini markets
- 47191 Retail trading of variety of goods in department stores that are not mainly trading in food, beverages and tobacco
- 47211 Retail trading in fruits and vegetables
- 47221 Retail trading in meat, meat products and poultry
- 47231 Retail trading in fish and sea food-fish and mollusks
- 47241 Retail trading in bread and other related (bakeries)
- 47242 Retail trading in confectionery products
- 47301 Retail trading in fuel
- 47411 Retail trading in computers peripherals and software
- 47611 Retail trading in books
- 47621 Retail sales of newspapers and stationery
- 47651 Retail sales of toys of all kinds except video games
- 47731 Pharmacies
- 61101 CYTA
- 61201 Internet services
- 61301 Satellite telecommunications services
- 61901 Other telecommunication services except CYTA

For any further information required, please do not hesitate to contact us.



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