

## TAX & VAT MEASURES

In response to the COVID-19 pandemic crisis, the Cyprus Government has adopted the following Tax and VAT measures to support its citizens and economy:

- **Deferral of VAT payment until 10 November 2020**

Temporary suspension of the obligation to pay VAT without the imposition of any penalties and interest **only** for the periods ending: 29/02/20, 31/03/20 and 30/04/20, until 10/11/20, **provided that the relevant VAT returns are submitted within the prescribed deadlines** (i.e. 10/04/20, 10/05/20 and 10/06/20 respectively).

The above arrangement does not apply to certain categories of businesses which remained open as per the Government's decisions such as supermarkets, bakeries and confectionary stores, meat/fish and fruit markets, pharmacies, gas and electricity stations/suppliers, telecommunication companies etc.

- **Instalment repayment arrangement Plan (Ariadne)**

For debtors who are included in the instalment repayment arrangement plan for overdue taxes (Ariadne plan), the payment of instalments for the months of March and April is extended by two months.

- **Extension of deadline for the submission of tax returns**

The submission date for Income Tax Returns for Companies (T.D.4) and Self Employed with accounts (T.D.1 Acc) for the year 2018 is extended until the 1st of June 2020. Further the deadline for the payment of tax due under the aforementioned tax returns for 2018 has also been extended until the same date.

- **Contributions to the General Health System (GHS)**

The increase of the percentage of the contributions to the GHS will apply as originally planned for the month of March 2020 but will revert to the previous rates for the months of April, May and June 2020 as follows:

<b>Contributor's Category</b>	<b>March 2020 %</b>	<b>1 April 2020-30 June 2020 %</b>	<b>1 July 2020 onwards</b>
Employees	2,65	1,70	2,65
Employers	2,90	1,85	2,90
Self-Employed	4,00	2,55	4,00
State Officials	2,90	1,85	2,90
State Fixed Fund	4,70	1,65	4,70