

Temporary tax return for the year 2020

All companies that are Cyprus tax residents are taxed in accordance with the Cyprus Income Tax Laws and Regulations. According to these laws and regulations, all companies that will have taxable income for **tax year 2020** should submit to the Tax Authorities by 31 July 2020, a temporary tax return form (T.D 6 form), based on their estimated taxable profits for the current year and proceed to the payment of the temporary tax in **two equal instalments** as follows:

- 31 July of 2020 -1st instalment and submission of the form
- 31 December 2020 -2nd instalment

If the Company does not expect to have any taxable income for the year 2020, there is no requirement to file a temporary tax return.

All companies have the right to revise their estimated taxable income at any point in time before 31st December 2020. If the estimated taxable income is revised upwards, 1.75% interest is payable on the difference between the revised amount payable and the amount initially declared from the due date of payment of the first instalment.

If the estimated tax paid for 2020, through temporary tax return, is below 75% of the actual tax liability calculated on the basis of the audited financial statements for the year, then there will be a surcharge (penalty) of 10% on the underestimated tax payable.

It is noted that, the final tax for tax year 2020 should be settled by **1st August 2021**.

As you can appreciate, it is each company's responsibility to estimate its results for tax year 2020 and proceed with a payment of temporary tax, if needed.

We would like to inform you that the **Tax department of EPW Europe Private Wealth Ltd**, may assist you with the estimation of the revised provisional taxable income and payment of the 2nd instalment.

Please inform us on how you wish to proceed.

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