

Cyprus implements measures to tackle the COVID-19 consequences

In light of the grave consequences of the coronavirus (COVID-19) outbreak, the Government of the Republic of Cyprus announced a national fiscal package of measures in response to the said Coronavirus pandemic.

You may find a brief description of the main measures below:

1. VAT:

No imposition of penalties and interest for delayed payments of any due VAT payments, regardless of the company's turnover, for the quarters ending 29 February 2020 (due 10/04/20), 31 March 2020 (due 10/05/20), 30 April 2020 (due 10/06/20), provided that:

- the VAT declaration is submitted by the due date and
- any VAT payable is paid by 10 November 2020.

The amendments will not apply to certain categories of businesses which suffered no cash-flow impact, such as supermarkets. Furthermore, it is important to note that VAT rates will not be reduced as initially announced.

2. General Health System Contributions:

General Health System contributions are decreased to the initial rates for the period of 01/04/2020-30/06/2020. The period can be adjusted to 01/03/2020-31/05/2020 in case an employer has already applied the reduced rates for March 2020.

3. Tax Returns:

An extension is provided in relation to the filing of tax returns. The relevant deadline was shifted from the 31st of March 2020 to the 31st of May 2020 for companies and self-employed individuals.

4. Annual Levy 2020:

An extension is provided in relation to the deadline for the payment of the annual levy from the 30th of June 2020 to the 31st of December 2020, without the application of the surcharge of 10% or 30%.

5. Annual Returns of 2020:

These can be submitted to the Cyprus Registrar of Companies by the 28th of January 2021, without the application of the relevant penalties.

6. Deregistration of Companies from the Registrar:

No further quarterly warnings for the deregistration of Cyprus companies will be published until January 2021.

7. Financial subsidies:

The ministry of Labour, Welfare and Social Security has announced a number of subsidies for businesses, as well as employees, adversely affected by the adverse economic effects of the COVID-19 pandemic

- Special Sick Leave subsidy;
- Special leave allowance for parents;
- Special subsidy for self-employed persons; and
- Special plan for companies partially or totally suspending their operations due to COVID-19.

The relevant applications as well as detailed explanations for each subsidy can be found at:

<https://www.coronavirus.mlsi.gov.cy/>