ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ
THE REPUBLIC OF CYPRUS

ΤΜΗΜΑ **ΦΟΡΟΛΟΓΙΑΣ**
ΤΑΧ **DEPARTMENT**

Guidelines for the submission of the Income Tax Return - Employee for the tax year 2017

This guide is unofficially translated. It is provided for your information only, does not substitute the Law and does not have any legal binding effects!

It was drafted based on the structure of the Income Tax Return for Employee for the tax year 2017, and provides useful information for the completion thereof.

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PART 1 – TAXPAYER'S DETAILS

In this part you may amend your personal details. If the pre-filled details in your tax declaration have been changed, please fill in the blank part of the Declaration with the correct details (PART 1 fields A to E).

This part substitutes the change/amendment of details TD2003/2015 form, which in this case shall not be filled-in.

Any changes declared in PART 1 of the Income Tax Return shall be carried out after the Department processes the Declaration and the Tax Registry is updated accordingly.

PART 2- REPRESENTATIVE'S DETAILS

Check the details of your representative and if these have been changed, you shall fill-in and file a change/amendment of details form TD2003/2015, at the local District Offices of the Tax Department.

PART 3 – ADDITIONAL INFORMATION

TAX RESIDENT IN THE REPUBLIC OF CYPRUS

Your method of taxation is differentiated depending on whether you are a resident of the Republic or not. Therefore, it is important for you to identify in which of the two categories below you belong:

YES ☑   **You are a resident of the Republic of Cyprus if:**

1. In 2017, you remained in the Republic for a period or more, which shall in aggregate exceed 183 days **or**,

2. You remained in the Republic for at least 60 days, but for less than 184 **and**:
   - you owned or rented a permanent residence in the Republic
   - you did not reside in another country for more than 183 days
   - you were not a tax resident in another country and
   - you had your own business or were employed or held an office in the Republic even after the 31/12/2017.

If any of the above conditions applies, then you are considered to be a tax resident in the Republic and you shall declare your income generated from sources from both **IN** and **OUTSIDE** the Republic.

NO ☑   **You are <u>not</u> a resident of the Republic of Cyprus if:**

None of the above conditions apply and you shall declare **only** your income generated from sources **INSIDE** the Republic.

PART 4 – INCOME

A1. SALARIED SERVICES

In this part you shall declare any income earned from salaried services.

In order to fill-in this part the emoluments certificate is required, which you may acquire from your employer (T.D.63 for income in the Republic or a corresponding certificate for salaried services offered abroad).

If you are a civil servant, you may print your emoluments certificate from the Treasury's website at the link: https://payroll.treasury.gov.cy/payroll/ and use it to fill-in the Income Tax Return.

Table

Column 1 EMPLOYER – T.I.C. No.	Fill-in your employer's Tax Identification Card Number in the Republic, as mentioned in the Emoluments Certificate (T.D.63). Use capital letters to write the last character in English. **The filling-in of this part is made mandatory, unless the employer is not a resident of the Republic (codes 2,4) or unless you are unemployed (code 5).**
Column 2 EMPLOYER FULL NAME/BUSINESS NAME	Fill-in your employer's Full Name/ Business name. If you have not worked during the year, write the word "UNEMPLOYED".
Column 3 CODES	
code 1	IN THE REPUBLIC Provided that you work as an employee **in the Republic**.
code 2	OUTSIDE THE REPUBLIC Provided that you work as an employee **outside the Republic**.
code 3	IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC BEFORE THE EMPLOYMENT COMMENCEMENT DATE: For incomes less than €100.000 If you are employed in the Republic, but before the employment commencement date you were residing outside the Republic. In such a case, you are entitled to a 20% deduction from your annual remuneration up to €8,550 from the 1st of January of the year that follows the year of your employment. This deduction is valid for a 5-year period in respect of your employment that commenced during and after the year 2012. The filling-in of part A2 is made mandatory (see instructions below).

code 4	OUTSIDE THE REPUBLIC FOR A PERIOD WHICH SHALL IN AGGREGATE EXCEED 90 DAYS
	If you have worked outside the Republic, as an employee:
	• for an employer who is not a tax resident in the Republic, or
	• for an employer who is a tax resident in the Republic with a permanent establishment outside the Republic
	for a period, which shall in aggregate exceed 90 days, but shall be less than 183 days, during the tax year, your income shall not be taxed.
code 5	UNEMPLOYED
	If you have not worked for some time (months) or throughout the year. The unemployment allowance shall not be included.
code 6	IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC BEFORE THE EMPLOYMENT COMMENCEMENT DATE: For income more than €100.000
	If you are employed in the Republic, but before the employment commencement date, you were residing outside the Republic.
	In such a case, you are entitled to a 50% deduction from your annual remuneration for a 10-year period, from the 1st of January of the year of your employment. The filling-in of part A2 is made mandatory (see instructions below).
Column 4 PERIOD (months)	Declare all the months during which you provided salaried services to each of your employers seperately or the months during which you were unemployed. The 13th salary is not counted as a working month (i.e. 1 year = 12 month-period)
Column 5 GROSS SALARY IN THE REPUBLIC	Declare your total gross earnings arising from the provision of salaried services in the Republic (referring to codes 1,3,6). Please include **any subsidies and benefits** based on your emoluments certificate (T.D.63). Round up to the nearest whole number (no decimals).
Column 6 GROSS SALARY OUTSIDE THE REPUBLIC	Declare your total gross earnings arising from the provision of salaried services outside the Republic (referring to codes 2 and 4). Round up to the nearest whole number (no decimals).
Column 7 TAX WITHHELD	Declare the exact amount of tax (and cents) deducted in and outside the Republic in EURO, by each employer separately, as declared on your emoluments certificate. Use comma (,) before decimals, not a full stop(.).

A2. INCOME CLASSIFIED UNDER CODE 3 OR 6

It mainly concerns the first employment of students or repatriated or aliens with temporary transfers/ employment contracts in the Republic of Cyprus.

Fill in **ONLY** in case you have selected code 3 or 6 in column 3 above, indicating the following details:

• the date of your establishment in the Republic to calculate the days until the employment commencement date

• the employment commencement date in and the date of your possible departure from the Republic

• the total number of days you were outside the Republic before the employment commencement date, to confirm that you were residing outside the Republic.

• the deduction amount you are allowed (20% or 50% on your gross earnings in the Republic) as per your choice in column 3. Please note that this deduction **shall not be claimed in PART 5 – DEDUCTIONS/ALLOWANCES** of the Income Tax Revenue also. This deduction in the CALCULATION of the TAX shall be limited to the maximum allowed amount by the Law.

A3. RETROSPECTIVE INCOME

It mainly concerns civil servants or retired civil servants.

1. If at the bottom of your emoluments certificate for the current year retrospective income of previous years is declared, you shall answer YES in this part, and include them by indicating them in a separate line in PART A1 SALARIED SERVICES, so that it shall be taxed for the year to which it relates. In column 2, FULL NAME/BUSINESS NAME, write the words **RETROSPECTIVE INCOME** and the year to which it relates.

2. If the retrospective income included in your annual income relates to the years 2012-2016 you shall answer YES in this part so that it shall be taxed for Special Contribution, N112/2011, as well.

B1. PENSIONS

In this part you shall declare any income you receive as a pension.

To fill in this part, you need an annual pension certificate for the year and a certificate confirming that you receive old-age pension from the Social Insurance Services.

Table

Column 1 T.I.C. No.	Fill-in the T.I.C. of the organisation/office/individual which/whom you receive pension from (use capital letters to write the last character in English). **All mandatory fields, may be filled-in automatically**, by using icon 🔍 in column 2 NAME.

Column 2 NAME	Filling in the name of the organisation/office/individual which/whom you receive pension from, **is mandatory. Automatically only for the options presented**, **the name they may be filled-in** by using icon 🔍 in this column.
Column 3 CODES	
code 1	NORMAL RATE • Treasury Pension: **It may be filled-in automatically** by using icon 🔍 in column 2 NAME. • Pensions of other organisations such as Semi-Governmental, Banking Institutions, etc) • Widow's Pension: The widow's pension may be declared and taxed either at a normal rate or at a special rate (code 6 below). You may choose the way in which the widow's pension shall be taxed, considering the outcome of your different options. For more information, you may refer to Circular 2015/12. • Overseas Pension: The overseas pension may be declared in EURO and taxed either at a normal rate or at a reduced rate (code 2 below). You may choose the way in which the widow's pension shall be taxed, considering the outcome of your different options.
code 2	REDUCED RATE **Overseas pension** for which you choose to be taxed at a reduced tax rate, that is at 5% for an amount over €3,420 and no other income shall be added. In column 4 you shall declare **the full** amount of the overseas pension.
code 3	EXEMPTED A pension that qualifies for exemption, such as the pensions granted based on the Relief of Sufferers Act 1988 – 2001.
code 4	SOCIAL INSURANCE PENSION Old age pension paid by the Social Insurance Fund (not a widow's pension). **It may be filled-in automatically**, by using icon 🔍 in column 2 NAME.
code 5	PENSION OF NON-RESIDENT FROM EMPLOYMENT IN THE REPUBLIC Pension of a non-resident which he receives from previous employment in the Republic.

code 6	WIDOW'S PENSION
	Widow's Pension for which you choose to be taxed at a special rate, that is at 20% for an amount exceeding €19,500 and no other income shall be added.
	It is noted that if the widow's pension **is your only income and you chose the special rate**, ONLY the amount of the emoluments reduction in the Calculation of Tax is deducted (not the insurance premiums or health funds). For more information, you may refer to Circular 2015/12.
	You shall declare the full amount of the widow's pension at a special rate in the DEDUCTIONS' part as well, at Self-Assessment calculation.
Column 4 Amount of pension	Declare the amount of your gross pension before the tax retention, rounding up to the nearest whole number in euro (no decimals).
Column 5 Tax Withheld	Declare the exact amount (and cents) of the tax withheld in and outside the Republic. Use comma (,) before decimals, not a dot.

B2. RETROSPECTIVE INCOME

It mainly concerns retired civil servants.

1. If at the bottom of your emoluments certificate for the current year retrospective income of previous years is declared, you shall answer YES in this part, and include it by indicating them in a separate line in PART B1 PENSIONS above, so that it shall be taxed for the year to which it relates. In column 2, NAME, write the words **RETROSPECTIVE INCOME** and the year to which it relates.

2. If the retrospective income included in your annual income relates to the years 2012-2016 you shall answer YES in this part so that it shall be taxed for Special Contribution, N112/2011, as well.

C. RENTED PROPERTY

In this part, you shall declare the income from rent acquired or incurred during the tax year in the Republic, and/or outside the Republic. **This income is added to any other income you may have for the purpose of issuing a Tax Certificate by the Department.**

Table

Column 1 PROPERTY REGISTRATION NO.	Declare the registration number of the rented property as mentioned in the title deeds.

Column 2 CODES	Choose one of the following codes to receive the corresponding percentage (%) of capital allowance for the rented property: • **1 (Office), 2 (Shop), 3 (Apartment), 4 (House) 10 (building for which 10% depreciation was granted)** under certain conditions @3% for 33 1/3 years. For the 34th year, declare the amount that was not depreciated. • **5 (Storehouse), 8 (Factory / Hotel) @ 4%** for 25 years (valid for years before the year 2012). • **5 (Storehouse), 8 (Factory / Hotel)** acquired during the tax years 2012-2017 **@ 7%.** For the 15th year, declare the amount that was not depreciated. • **6 (Land), 7 (Parking Space), 9 (Other premises) @ 0%.**
Column 3 DATE OF COMPLETION/ACQUISITION	Declare the date of the property's completion/erection to determine the starting date of providing capital allowances.
Column 4 HAND OVER DATE	Declare the property's hand over (i.e. from the contractor) or acquisition date (i.e. by donation, purchase, inheritance).
Column 5 COST OF ACQUISITION / AREA M2	Declare the **cost of acquisition** of the rented property relating to your share, no matter how it was acquired, i.e. by erection, purchase, donation, inheritance, etc., so that you can calculate the amount of any capital allowance you may claim. It is stressed that **the cost of the land** on which the property was erected **shall be excluded**. Declare the **area in m2** of the rented property to confirm the cost of acquisition.
Column 6 LESSEE'S T.I.C/ I.D. Card No.	• if the property belongs to a partnership, in which you are a member, declare the partnership's T.I.C. number. • if the lessee of your property is an individual, declare the lessee's T.I.C./I.D. card number, if applicable. • if the lessee of your property is a company, partnership, local governmental authority or the state and a special contribution for defence has been withheld, **you must declare** the T.I.C./ I.D. Card No. of the lessee as mentioned in the Certificate of Special contribution for defence (S.C.D.) from Rent (Form I.R.614A rec/2011).
Column 7 LESSEE'S NAME	Fill-in the name of your lessee.
Column 8 OWNERSHIP SHARE	Declare the percentage (%) of your ownership share, i.e. if you hold the ALL (only owner) declare 100%, if own 50% of the property, declare 50%, etc. The amounts declared in column 5 and columns 9 to 14 shall be proportionate to your ownership share and calculated

	in the gross rent.
Column 9 ANNUAL GROSS RENT FROM PROPERTY IN THE REPUBLIC	Declare your gross annual rent from property without any deduction. ***You shall claim the 20% deducted as expenses in the DEDUCTIONS part, in Self-Assessment Calculation.*** It is stressed out that the expenses shall not be deducted for codes 6,7,9.
Column 10 ANNUAL GROSS RENT FROM PROPERTY OUTSIDE THE REPUBLIC	Declare your gross annual rent from property outside the Republic without any deduction. ***You shall claim the 20% deducted as expenses in the DEDUCTIONS part, in Self-Assessment Calculation.*** It is stressed out that the expenses shall not be deducted for codes 6,7,9.
Column 11 CAPITAL ALLOWANCES	Calculate the amount of the capital allowances by multiplying the cost corresponding to your share in column 5 by the depreciation percentage you are entitled to, based on the code of the rented property chosen in column 2. If the property has been fully depreciated, declare zero capital allowance or leave the section blank.
Column 12 INTERESTS PAYABLE FOR RENTED PROPERTY	The loan interests payable for the purchase or erection of the rented property are entirely deducted.
Column 13 TAX PAID OUTSIDE THE REPUBLIC	If the rents come from sources outside the Republic, declare any overseas tax paid. It is noted that the overseas tax is not transferred automatically to the parts SELF ASSESSMENT and S.C.D. CALCULATION, and shall be declared by you. The credit of the overseas tax is limited to the amount of the Cyprus tax imposed. **Declare the exact tax amount (and cents). Use a comma (,) before decimals, not a full stop(.).**
Column 14 DEFENCE CONTRIBUTION WITHHELD IN THE REPUBLIC	Declare the amount of the S.C.D. withheld by a lessee that is a company, partnership or the state, based on the T.I.C. number declared in column 6 above. The Certificate of Defence Contribution from Rent retention (Form I.R.614A rec/2011) is a relevant evidence. This amount is transferred in the Deductions, to the S.C.D. Calculation. It is noted that the S.C.D. paid by self-assessment is **not** listed here because it is automatically transferred from the Collection System to S.C.D. Calculation. If the S.C.D. has not been withheld/paid for defence, you shall fill in the T.D. 601 form and submit it to the local District Offices paying at the same time the corresponding amount of the contribution, as calculated in the S.C.D. CALCULATION. The S.C.D. is levied at 75% of the gross rent with an annual rate of 3% and it is paid at the end of every six months (by the 30th of June and

	by the 31st of December).

D. EXPLOITATION OF A BUILDING UNDER PRESERVATION ORDER

This part is filled-in only in case that the maintenance works of the preserved building have been completed and you have in your possession the relevant Certificate by the Minister of Interior issued by the Department of Town Planning and Housing. Otherwise, the rent receivable shall be declared in PART 4C. The deduction for the preserved building is calculated and distributed separately to all the years that the maintenance works took place. In case that during the completion of the maintenance works was proved that you were entitled to a deduction for previous years, you shall inform the Department to revise accordingly the taxations of the previous years affected. For further explanation, you may refer to the relevant circular 2009/1 (available in Greek only).

Table

Column 1 CERTIFICATE'S REGISTRATION NUMBER	The registration number of the preserved building, as mentioned in the relevant certificate issued by the Department of Town Planning and Housing.
Column 2 RECOGNISED COST	The recognised cost of the preserved building as mentioned in the relevant certificate issued by the Department of Town Planning and Housing
Column 3 RECOGNISED AREA M2	The recognised area of the preserved building as mentioned in the relevant certificate issued by the Department of Town Planning and Housing.
Column 4 T.I.C. No. / LESSEE'S I.D. Card No.	Declare the T.I.C. / I.D. Card Number of your lessee.
Column 5 LESSEE'S NAME	Declare the name of your lessee.
Column 6 OWNERSHIP SHARE	Declare the percentage of your ownership share in the preserved building, i.e. if you are the only owner declare 100%, if you own 50% of the property declare 50%, etc. The columns 10,11,12,13,14,15,16 shall be adjusted according to your corresponding share.
Column 7 YEAR OF COMMENCEMENT OF WORKS	Declare the year of commencement of maintenance works (YCMW), as mentioned in the relevant certificate issued by the Department of Town Planning and Housing .

Column 8 DATE OF TOWN PLANNING CERTIFICATE	It is the date of the relevant certificate issued by the Department of Town Planning and Housing which certifies that the maintenance works of the preserved building have been completed, and mentions the amount of expenses incurred per year for the maintenance of the building. (see the lower left corner of the certificate).
Column 9 PRESSERVATION ORDER No.	Declare the number of the preservation order (D.T.S.), as mentioned in the relevant certificate issued by the Department of Town Planning and Housing.
Column 10 TOTAL RESTORATION EXPENSES (TO 2016)	The total restoration expenses as mentioned per year in the relevant certificate issued by the Department of Town Planning and Housing. The amount shall exclude the expenses of the current year.
Column 11 RESTORATION EXPENSES DURING 2017	The expenses incurred during this tax year relating to the restoration works of the preserved building as mentioned in the said certificate.
Column 12 GOVERNMENT GRANTS ALLOWED	Declare the amount allowed to you as a grant to the maintenance cost from the Special Preservation Fund, as mentioned in the relevant certificate issued by the Department of Town Planning and Housing.
Column 13 TRANSFER OF COEFFICIENT	If the annual deduction is not fully absorbed by the taxable income, it shall be transferred to the following year until its exhaustion.
Column 14 DEDUCTION FOR THE YEAR Columns: $11*(2-12-13)/(10+11)$	It is the annual deduction you are entitled to and it derives from the result of the mathematical formula mentioned in this column.
Column 15 RENTS	The gross rents receivable from the exploitation of the preserved building are declared in this part in case that the works have been completed and the relevant certificate by the Department of Town Planning and Housing has been issued. They are exempted from the taxable income, but they are not exempted from the special contribution for defence.
Column 16 DEFENCE CONTRIBUTION WITHHELD IN THE REPUBLIC	Declare the amount of the S.C.D. withheld by a lessee that is a company, partnership or the state, based on the T.I.C. number declared in column 6 above. The Certificate of Defence Contribution from Rent retention (Form IR 614A/2011) is a relevant evidence. This amount is transferred in the "Deductions", to S.C.D. Calculation. It is noted that the S.C.D. paid by self-assessment is not listed here because it is automatically transferred from the Collection System to S.C.D. Calculation.

	If the S.C.D. has not been withheld/paid, you shall fill in the form TD 601/2016 and submit it to the local District Offices paying at the same time the corresponding amount of the contribution, as calculated in the S.C.D. CALCULATION.
	S.C.D. is levied at 75% of the gross rent with an annual rate of 3% and it is paid at the end of every six months (by the 30th of June and by the 31st of December).

E. INTEREST RECEIVABLE

In this part, declare the interest income in the Republic, and/or outside the Republic, provided that you are a tax resident in the Republic. **This income is added to any other income you may have for the purpose of issuing a Tax Certificate by the Department.**

The interest income is not subject to taxation. However, it is subject to S.C.D..

IMPORTANT. You may claim the S.C.D. return which was deducted from interests on deposits only by filling-in this part of the Declaration and not by filling-in the TD 1EEA 2015 form. The right amount to be refunded to you, is automatically calculated in S.C.D. CALCULATION, **ONLY** in case that your total income, as per PART I of the Declaration (including the interest income) does not exceed the €12,000.

TABLE

Column 1 T.I.C / I.D CARD No.	Declare the T.I.C. / I.D. Card number of the debtor or the bank.
Column 2 NAME OF BANK OR DEBTOR	Declare the name of the debtor or the bank from whom/which you receive interest income.
Column 3 CODES	Select the appropriate code for each debtor or bank from whom/which you receive interest income:

Code	Debtor or Bank
1	From loans
2	From governmental securities
3	From bank deposits
4	From non-governmental securities
5	From sources outside the Republic
6	From UCITS

Column 4 GROSS INTEREST	Declare the amount of the gross interest received by each debtor or bank separately.
Column 5 TAX PAID OUTSIDE THE REPUBLIC	Column 5 is related to code 5, that is with interest receivable from sources outside the Republic and here is declared any overseas tax paid. It is noted that the overseas tax **is not** automatically transferred to Self-Assessment (CALCULATION of TAX) and S.C.D. CALCULATION, and shall be transferred by you. The credit of the overseas tax is limited to the amount of the Cyprus tax imposed. **Declare the exact tax amount (and cents). Use a comma (,) before decimals, not a full stop(.).**
Column 6 SPECIAL DEFENCE CONTRIBUTION WITHHELD	Declare the amount of the S.C.D. withheld in the source which may vary depending on the source of interests: | Source	Special Contribution for Defence
Interests from bank deposits	30%
From governmental securities	3%
From UCITS	3% | This amount is transferred to the Calculation of the S.C.D. on Deductions to calculate the refundable defence contribution from interest on deposits for income up to **€12,000**. In the case of interest receivable from sources **outside** the Republic, if the S.C.D. has not been paid and the overseas tax does not cover the obligation for the S.C.D., you shall fill-in the TD 601/2016 form and submit it to the local District Offices, paying at the same time the corresponding amount of the contribution, as calculated in the CALCULATION of the S.C.D.. The S.C.D. is paid at the end of every six months (by the 30th of June and by the 31st of December).
Column 7 INTEREST RECEIPT DATE	Declare the interest receipt date to calculate the correct amount of the S.C.D. withheld.
Column 8 COUNTRY OF ORIGIN	It shall be filled-in only if the interest receivable comes from sources **outside the Republic** (code 5). It may be filled-in automatically, by using icon and by choosing the country of origin.

Column 9 ACCOUNT TYPE	It shall be filled-in only if the interest receivable comes from sources **outside the Republic** (code 5) and you shall select the bank account type kept abroad, i.e. IBAN, OBAN, ISIN, OSIN from the drop-down list.
Column 10 ACCOUNT NUMBER	It shall be filled-in only if the interest receivable comes from sources outside the Republic (code 5) and you shall state the account number kept abroad.

F. DIVIDENDS

In this part you shall declare the income from dividends in the Republic, and/or outside the Republic, provided you are a tax resident in the Republic. **This income is added to any other income you may have for the purpose of issuing a Tax Certificate by the Department.**

The dividend income is not subject to taxation. However, it is subject to S.C.D..

Table

Column 1 T.I.C / I.D CARD No.	Declare the T.I.C number of the company from which you receive the dividend.
Column 2 COUNTRY OF ORIGIN	It shall be filled-in only if the dividends come from companies **outside the Republic** (code 2). It may be filled-in automatically, by using icon 🔍 and by choosing the country of origin.
Column 3 BUSINESS NAME OF COMPANY	Declare the business name of the company from which you receive the dividend.
Column 4 CODES	If you have received dividends from companies in the Republic, declare code 1, but if you have received dividends from companies outside the Republic declare code 2.
Column 5 GROSS DIVIDEND	Declare the amount of the gross dividend you have received within the current tax year.

Column 6 SPECIAL DEFENCE CONTRIBUTION WITHHELD	Declare the amount of the S.C.D. withheld according to the dividend receipt issued by the company. This amount is transferred to "Deductions" in S.C.D. Calculation. It is noted that the S.C.D. paid by self-assessment is **not** listed here because it is automatically transferred from the Collection System to S.C.D. Calculation. If the S.C.D. has not been paid for dividends from sources **outside** the Republic, you shall fill in the TD 601/2016form and submit it to the local District Offices, paying at the same time the corresponding amount of the contribution, as calculated in S.C.D.CALCULATION. The S.C.D. is paid at the end of every six months (by the 30th of June and by the 31st of December).
Column 7 TAX PAID OUTSIDE THE REPUBLIC	Column 7 related to code 2, that is with dividends from companies outside the Republic and is declared here any overseas tax paid. **It is noted that the overseas tax is not automatically transferred to the parts CALCULATION of TAX and CALCULATION of the S.C.D. and shall be transferred by you**. The credit of the overseas tax is limited to the amount of the Cyprus tax imposed. **Declare the exact tax amount (and cents). Use a comma (,) before decimals, not a dot.**
Column 8 DIVIDEND RECEIPT DATE	Declare the dividend receipt date to calculate the correct amount of the S.C.D. withheld.

G. REDEMPTION OF LIFE INSURANCE POLICIES

It shall be filled-in **only in the case of redemption** of a life insurance policy before **the end of 6 years** from the date of its commencement. In particular:

• If an insurance policy is redeemed within 3 years from its commencement date, then 30% of the total premiums paid shall be considered an additional income in the calculation of tax. It is stressed out that in column 5 declare **all** the premiums for which you have been granted a deduction from the issue date until the redemption date of the life insurance policy.

• If an insurance policy is redeemed between the 4th and 6th year from its commencement, then 20% of the total premiums paid shall be considered an additional income in the calculation of tax. It is stressed out that in column 5 declare **all** the insurance premiums for which you have been granted a deduction from the issue date until the redemption date of the life insurance policy.

H. ANY OTHER TAXABLE INCOME

If you have any other income, either from a partnership share or trading, you shall declare it in this part of the declaration, including any subsidies from A.I.O.(Agriculture Insurance Organization) C.A.P.O.(Cyprus Agriculture Payment Organization). The income declared herein is in addition to the income from salaried services, pensions, rents, interest and dividends, which you have declared in paragraphs A to Z above.

In case you have income from trading on a regular basis, although you have income from salaried services as well, you must fill-in the Income Tax return for Self-Employed Form (TD 1Self Employed).

I. TOTAL INCOME

All the income declared in Part 4 INCOME, paragraph A to H (except paragraph G) is added here automatically and transferred to Self-Assessment "Total Taxable Income".

PART 5 – DEDUCTIONS / ALLOWANCES

A. MISCELLANEOUS DEDUCTIONS

In this part declare contributions/donations and other deductions, based on your emoluments certificate (T.D. 63) which are exempted from your tax income such as:

• Trade Union Contribution (i.e. Pasydy, SEK, PEO)

• Professional Subscription (i.e. ICPAC, ETEK)

• Donations (receipts shall be kept and presented if requested)

• Reductions of Salaries / Wages

• Contributions to political parties up to €50,000 (receipts shall be kept and presented if requested)

B. INVESTMENT IN SHARES OF INNOVATIVE COMPANIES

In this section declare expenses incurred by an individual who invests in risk capital funding of small and medium-sized innovative enterprises (SME). Such expenses shall be deducted from that person's taxable income upon his/her investment and the amount deducted may not exceed 50% of that person's taxable income for the tax year during which they incur. To claim these expenses, you need the approval of the Ministry of Finance. For more information, see Article 9 (A) of the Income Tax Law N118(I)/2002.

C. DEDUCTION FOR LIFE INSURANCE PREMIUMS, CONTRIBUTIONS TO SOCIAL INSURANCE, PENSION FUND, PROVIDENT FUND, ETC

In this part you shall declare your Life Insurance Premiums and the contributions to the following Funds, based on your emoluments certificate and your health and life certificates.

The amounts shall be rounded up to the nearest whole number in Euro (no cents).

The total contributions to the following Funds, including the Life Insurance Premiums, are limited to 1/6 of the NET INCOME when calculating the tax.

The names of the Funds and the corresponding codes are automatically filled in, by using icon 🔧 in column 2, FUND NAME.

Filling-in, the Life Insurance Premium is made possible from the fifth line onwards, by selecting code 3.

- **CODE 1:** APPROVED FUNDS, such as Provident Fund, Social Insurance Scheme

- **CODE 2:** SOCIAL INSURANCE FUND

- **CODE 3:** LIFE INSURANCE PREMIUMS
    - Column 1: T.I.C. Number of the Insurance Company

    - Column 2: Name of the Insurance Company

    - Column 3: Select code 3

    - Column 4: Date of Insurance Police

    - Column 5: Life Insurance (drop-down list of options)

    - A deduction for a SPOUSE's Life Insurance is granted only for policies with commencement date up to the 31/12/2002

    - If a Life Insurance covers a couple jointly, select from the drop-down list the option OF BOTH.

    - The deduction for a Life Insurance is granted only to the policy's owner.

    - Column 6: Insured amount. **The deduction/premium of each Live Insurance cannot exceed 7% of the insured amount when calculating the Tax**.

- **CODE 4:** MEDICAL FUND AND MEDICAL INSURANCES. **The total deduction for Medical Funds and Medical Insurances cannot exceed 1.5% of the gross income when calculating the Tax.**

- **CODE 5:** WIDOW'S PENSION FUND

CALCULATION OF TAX – SELF-ASSESSMENT

The tax is automatically calculated even in the case that there is no taxable income or tax due/redeemed.

Important Notes:

- **When calculating the Tax, some deductions are not automatically transferred and therefore you shall declare them in Self-Assessment "DEDUCTIONS". These are marked in red below.**

- **The amounts registered in the Tax Department's Collection System, relating to a temporary tax and self-assessments for 2017, appear automatically. The system allows you to amend them by reducing or deducting them, in case they are not related to you, but in no case allows you to enter amounts that do not appear in the Tax Collection System. These amounts are marked in blue.**

NAME & SURNAME)		
INCOME		
TOTAL INCOME		**PART 4I**
ADD: REDEMPTION OF LIFE INSURANCE POLICY **(see. NOTE. 1 of the Declaration)**		**PART 4G**, column 5 @ 20% or 30% (see guideline)
TOTAL TAXABLE INCOME	€	**PART 4I +4G**
DEDUCTIONS WIDOW'S PENSION TO BE TAXED AT REDUCED RATES, **code 6 (see NOTE 5 of the Declaration) Non-transferrable**	**PART 4B1 (column 4)**	
OVERSEAS PENSION TO BE TAXED AT REDUCED RATES, **code 2 (see NOTE 5 of the Declaration)**	**PART 4B1** (column 4)	
LOSSES OF CURRENT YEAR	**PART 4H** (column 5)	
LOSSES FROM PREVIOUS YEARS **Non-transferrable**	**2016 LOSS From taxation**	
DIVIDENDS	**PART 4F** (column 5)	
INTERESTS RECEIVED	**PART 4E** (column 4)	
VARIOUS ALLOWANCES	**PART 5A** (column 2, TOTAL)	
CAPITAL ALLOWANCES OF RENTED PROPERTIES	**PART 4C** (column 11)	
RENTED PROPERTIES EXPENSES - 20% ON GROSS RENTS **(see NOTE 2 of the Declaration) Non-transferrable**	**PART 4C (columns 9,10) @ 20%**	
INTEREST ON RENTED PROPERTIES	**PART 4C** (column 12)	
PRESERVED BUILDINGS (Income and Deduction)	**PART 4D** (columns 14+15)	
OTHER Salaried services, **codes 3,4,6** Exempted pensions, **code 3**	**PART 4 A1** (column 6) **PART 4 A2(4) & PART 4B1** (column 4)	
	TOTAL DEDUCTIONS €	

NET INCOME / LOSS				TAXABLE INCOME MINUS ALLOWANCES
DEDUCTIONS (see NOTE 3 of the Declaration)				
MEDICAL FUND AND MEDICAL INSURANCE, **code 4**	**PART 5C** To be restricted to 1.5% of the net income			
LIFE INSURANCE**, code 3**	**PART 5C** To be restricted to 7% of the insured amount			
PROVIDENT, PENSION AND WIDOWS FUND AND SOCIAL INSURANCE, **codes 1,2,5**	**PART 5C**			
LESS TOTAL DEDUCTIONS	**PART 5C, column 7 TOTAL**			**To be restricted to 1/6 of the net income**
EXPENDITURE ON INVESTMENT IN SHARES OF INNOVATIVE COMPANIES			€	**PART 5B**
TAXABLE INCOME / LOSS			€	
TAX				
TAX ON TAXABLE INCOME **(see NOTE 4 of the Declaration)**		€	¢	
ADD 20% TAX FOR WIDOWS PENSION EXCEEDING €19500 **(see NOTE 5 of the Declaration)** Non-transferrable	**PART 4B1 Code 6**	@ 20%		
ADD: 5% TAX FOR PENSION OUTSIDE THE REPUBLIC EXCEEDING €3420**(see NOTE 5 of the Declaration)**	**ΜΕΡΟΣ 4B1** Κώδικας 2	@ 5%		€ c
TOTAL TAX AMOUNT €				
LESS : TEMPORARY TAX **Transferred by the T.D. Collection System**				
ADD 10% ADDITIONAL TAX **(see NOTE 6 of the Declaration)** Not calculated automatically				
LESS : TAX DEDUCTED AT SOURCE				**PART 4A1,** column 7 **PART 4B1,** column 5
LESS : OVERSEAS TAX (only for income taxable in the Republic) Non-transferrable				
TAX DUE / REFUND				

Tax Rates for 2017

Income €	Rate	Rate tax €	Accumulated tax €
0 - 19 500	N/A	N/A	N/A
19 501 - 28 000	20 %	1 700	1 700
28 001 - 36 300	25 %	2 075	3 775
36 301 - 60 000	30 %	7 110	10 885
60 001 – and more	35 %		

TAX DUE: PAYMENTS can be made up to the 31/10/2018, or up to the date set by the Commissioner, only electronically from the website www.jccsmart.com.cy or at the Local Tax Collection District Offices, in case of late payments.

TAX REFUND: Fill-in the details of your IBAN and SWIFT CODE only if:

- they have not been declared in a former declaration

- they need to be corrected

SPECIAL CONTRIBUTION FOR DEFENCE CALCULATION (S.C.D.)

The S.C.D. is calculated automatically and concerns:

- **S.C.D. DUE: For income from rents, interests and dividends. Fill-in and submit T.D. 601 form.**

- **S.C.D. REFUNDABLE: For defence refund from deposit interests on a total gross income up to €12000.**

- **It shall not be filled-in in the case of a NON-tax resident.**

SPECIAL CONTRIBUTION FOR DEFENCE (S.C.D.) CALCULATION (Defence is refundable only in the case of bank interest when total gross income is up to €12000).						
	Semester A			**Semester B**		
SOURCE OF INCOME	**Income**	**@ %**	**Contribution**	**Income**	**@ %**	**Contribution**
GROSS RENTAL INCOME REDUCED BY 25%	**PART 4C,4D**	3		**PART 4C,4D**	3	
INTEREST	**PART 4E**	30		**PART 4E**	30	
INTEREST CODE 3 and 4 when total income (Part 4I) is up to €12000	**PART 4E**	3		**PART 4E**	3	
INTERESTS from UCITS and Governmental securities	**PART 4E**	3		**PART 4E**	3	
DIVIDENDS	**PART F**	17		**PART F**	17	
TOTALS						
DEDUCTIONS: S.C.D. DEDUCTED AT SOURCE			**PART 4Γ column 14 PART 4D column 16 PART 4E column 6 PART 4F column 6**			
OVERSEAS TAX			**Non transferrable**			
S.C.D. SELF ASSESSMENT PAID PER SEMESTER			**Transferred by the T.D. Collection**			

	system		
S.C.D. DUE			
S.C.D. REFUNDABLE from bank interest (Refunds are given only when "S.C.D. DUE" is nil.)			
If you have submitted the T.D. 38 form declare the years of exemption	From	To	

EACH SOURCE OF INCOME OF THE S.C.D. IS COLLECTED SEPARATELY. PAYMENTS CAN ONLY BE MADE AT THE TILLS OF THE DEPARTMENT USING THE TD601 FORM (there is a relevant link in the T.D. website).

PART 6 – DECLARATION / SIGNATURE

Write your name or the name of your representative. **Compulsory field.**

PART 7 – INSTRUCTIONS, OBLIGATIONS, OFFENCES AND PENALTIES

INSTRUCTIONS

- Fill-in the Declaration in CAPITAL LETTERS
- Amounts in EURO
- Dates in the form DD/MM/YYYY
- Pre-filled **NON-numerical sections**, based on Declaration which has been previously submitted through TAXISnet are checked and amended wherever required.

OBLIGATIONS

You are obliged to submit a Declaration of Income Tax Return of Employee provided that:
- **your annual gross income exceeds €19,500**
- **you have incomes subject to SPECIAL CONTRIBUTION FOR DEFENCE**

Calculation and submission:
- **Income Tax: Timely payments ONLY electronically through the website www.jccsmart.com.cy**
- **Special Contribution for Defence (S.C.D.): Late payments ONLY in the Tax Collection District Offices of**

You are obliged to keep all the evidence required to fill-in the Declaration, for a 6-year period, as the Commissioner may request them to verify the subject of the tax.

OFFENCES AND PENALTIES

Failure to comply with the tax law provides for the imposition of fines, interest, financial charges or even imprisonment fine.

PART 8 –PERSONAL DATA PROTECTION

The Tax Department keeps Records that include personal details of individuals to ensure the better application of the tax law.

Last date of submitting the Declaration of the Income Tax Return for Employee	**31/10/2018**
Last date of due tax payment	**31/10/2018**