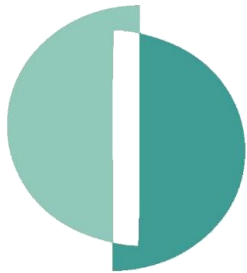




ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ
THE REPUBLIC OF CYPRUS



ΤΜΗΜΑ ΦΟΡΟΛΟΓΙΑΣ
TAX DEPARTMENT

Guidelines for the submission of the Income Tax Return - Employee for the tax year 2018

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 2018, 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 – TAX RESIDENCE

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 2018, 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 31/12/2018.

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 not 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 based on the emoluments certificate which you may acquire from your employer ([T.D.63](#) for income in the Republic or a corresponding certificate for salaried services offered abroad).

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 CODE	
code 1	<u>IN THE REPUBLIC</u> Income from salaried services in the Republic.
code 2	<u>OUTSIDE THE REPUBLIC</u> Income from salaried services outside the Republic.
code 3	<u>IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC BEFORE THE EMPLOYMENT COMMENCEMENT DATE</u> 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, you are entitled to a 20% deduction from your annual remuneration up to €8,550 from the 1 st 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	<u>OUTSIDE THE REPUBLIC FOR A PERIOD WHICH SHALL IN AGGREGATE EXCEED 90 DAYS</u> If you have worked outside the Republic, as an employee: <ul style="list-style-type: none"> • 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	<u>UNEMPLOYED</u> If you have not worked for some time (months) or throughout the year.

code 6	<p><u>IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC BEFORE THE EMPLOYMENT COMMENCEMENT DATE</u></p> <p>For income more than €100.000</p> <p>If you are employed in the Republic, but before the employment commencement date, you were residing outside the Republic, you are entitled to a 50% deduction from your annual remuneration for a 10-year period as from the 1st of January of the year of your employment. The filling-in of part A2 is made mandatory (see instructions below).</p>
code 7	<p><u>BENEFITS FROM EMPLOYMENT</u></p> <p>Declare any benefits in kind stated on the emoluments certificate (T.D. 63) i.e. car or rent benefit. For more info refer to circular 32/2019, available only in Greek.</p>
code 8	<p><u>AIF CARRIED INTEREST AND UCITS PERFORMANCE FEE</u></p> <p>Declare any income from AIF carried interest or any UCITS performance fee. Such income is taxed at 8% with a min tax amount of €10000.</p>
Column 4 PERIOD (months)	<p>Declare all the months during which you provided salaried services to each of your employers separately 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)</p>
Column 5 GROSS EMOLUMENTS IN THE REPUBLIC	<p>Declare your total gross earnings arising from the provision of salaried services in the Republic (referring to codes 1,3,6,8). Any benefits in kind, based on the emoluments certificate (T.D.63), should be declared separately using code 7. Round up to the nearest whole number (no decimals).</p>
Column 6 GROSS EMOLUMENTS OUTSIDE THE REPUBLIC	<p>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).</p>
Column 7 TAX WITHHELD	<p>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(.).</p>

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 (up to 365 days).
- 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 Return as well. This deduction, in the INCOME TAX COMPUTATION, is limited to the maximum allowed amount by the Law.




A3. RETROSPECTIVE INCOME


It mainly concerns civil servants or retired civil servants.

1. Declare any retrospective income of previous years, stated at the bottom of your emoluments certificate, ONLY in the case where the tax rate for the current year is not affected. If so, answer YES, and declare such income in a separate line in PART A1 SALARIED SERVICES by writing in column 2, FULL NAME/BUSINESS NAME, the words **RETROSPECTIVE INCOME** and the year to which it relates. However, if the tax rate for the current year is affected, a revised return shall be submitted and any retrospective income shall be declared at the year to which it relates.
2. If the retrospective income relates to the years 2012-2016 you shall answer YES 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 based on the annual pension certificate and the certificate of old-age pension from the Social Insurance Services.

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. It may be filled-in automatically , for the available options, by using icon  in this column.
Column 3 CODES	
code 1	<p><u>NORMAL RATE for pension inside the Republic</u></p> <ul style="list-style-type: none"> • <u>Treasury Pension</u>: It may be filled-in automatically by using icon  in column 2 NAME. • <u>Pensions of other organisations</u> such as Semi-Governmental, Banking Institutions, etc. • <u>Widow's Pension</u>: 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 <u>Circular 2015/12</u>.
code 2	<p><u>REDUCED RATE for overseas pension</u></p> <p>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.</p>

	In column 4 you shall declare the full amount of the overseas pension.
code 3	<u>EXEMPTED</u> A pension that qualifies for exemption, such as the pensions granted based on the Relief of Sufferers Act 1988 – 2001.
code 4	<u>SOCIAL INSURANCE PENSION</u> 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	<u>PENSION OF A NON-RESIDENT FROM EMPLOYMENT IN THE REPUBLIC</u> Pension of a non-resident which he receives from previous employment in the Republic.
code 6	<u>WIDOW'S PENSION</u> 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 emoluments reduction is to be deducted from the Calculation of Tax (not the insurance premiums or health funds). For more information, you may refer to Circular 2015/12 . (available only in Greek) You shall declare the full amount of the widow's pension in the INCOME TAX COMPUTATION PART / DEDUCTIONS, 1 st line.
code 7	<u>NORMAL RATE for overseas pension</u> The overseas pension may be declared in EURO and taxed either at a normal rate or at a reduced rate (code 2 above). You may choose the way in which the widow's pension shall be taxed, considering the outcome of your different options.
Column 4 PENSION AMOUNT	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. Declare any retrospective income of previous years, stated at the bottom of your emolument certificate, **ONLY** in the case where the tax rate for the current year is not affected. If so, answer **YES**, and declare such income in a separate line in PART B1 PENSIONS by writing in column 2,

NAME the words **RETROSPECTIVE INCOME** and the year to which it relates. However, if the tax rate for the current year is affected, a revised return shall be submitted and any retrospective income shall be declared at the year to which it relates.

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

C. RENTAL INCOME

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.

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: <ul style="list-style-type: none"> • 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 M ²	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.	<ul style="list-style-type: none"> • <u>Lessee: Individual</u> If the lessee of your property is an individual, declare the lessee's T.I.C./I.D. card number, if applicable. Any special defence contribution paid, as a self assessment, will appear on the SDC CALCULATION automatically. DO NOT complete column 14. • <u>Lessee:company/partnership/municipalities/communities/the</u>

	<p><u>Republic</u></p> <p>If the lessee of your property is a company, partnership, municipalities or the Republic, you must declare the T.I.C. of the lessee based on the Certificate of Special Contribution for Defence (S.C.D.) withheld from Rent (Form I.R.614A rec/2011). Column 14 must be completed with the SCD withheld.</p>
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 1/2 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 annual gross rent from property in the Republic. <u>The 20% amount deducted as expenses will automatically noted to the INCOME TAX COMPUTATION.</u> It is stressed out that the expense deduction is not granted for codes 6,7,9.
Column 10 ANNUAL GROSS RENT FROM PROPERTY OUTSIDE THE REPUBLIC	Declare annual gross rent from property outside the Republic. <u>The 20% amount deducted as expenses will automatically noted to the INCOME TAX COMPUTATION.</u> It is stressed out that the expense deduction is not granted 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 (the depreciation percentage is stated next to every code for your convenience) . 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 INCOME TAX COMPUTATION and S.C.D. CALCULATION, and shall be declared by you. The credit of the overseas tax, which is proportional to the relevant income, 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	<ul style="list-style-type: none"> • Declare the amount of the S.C.D. withheld by a lessee which 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 to the S.C.D. CALCULATION. • It is noted that the S.C.D. paid by self-assessment for an

	<p>individual lessee is not stated here because it is automatically transferred from the Collection System to the S.C.D. CALCULATION.</p> <ul style="list-style-type: none"> • If the S.C.D. has not been withheld/paid, you shall present a copy of the S.C.D. CALCULATION or fill in the T.D. 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 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).
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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 of 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 no. [2009/1](#) (available in Greek only).

Column 1 REGISTRATION No.	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 LESSEE'S T.I.C. or I.D. CARD No.	<ul style="list-style-type: none"> • <u>Lessee: Individual</u> If the lessee of your property is an individual, declare the lessee's T.I.C./I.D. card number, if applicable. Any special defence contribution paid by self assessment, will appear on the SCD CALCULATION automatically. DO NOT complete column 16. • <u>Lessee: company/partnership/municipalities/communities/the Republic</u> If the lessee of your property is a company, partnership, municipalities or the Republic, you must declare the T.I.C. of the lessee based on the Certificate of Special Contribution for Defence (S.C.D.) withheld from Rent (Form I.R.614A rec/2011). Column 16 must be completed with the SCD withheld.
Column 5	Declare the name of your lessee.

LESSEE'S NAME	
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 (YYYY), as mentioned in the relevant certificate issued by the Department of Town Planning and Housing .
Column 8 DATE OF TOWN PLANNING CERTIFICATE DD/MM/YYYY	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 PRESERVATION 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 2017)	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 2018	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	<ul style="list-style-type: none"> Declare the amount of the S.C.D. withheld by a lessee which is a company, partnership or the state, based on the T.I.C. number declared in column 5 above. The Certificate of Defence

WITHHELD IN THE REPUBLIC	<p>Contribution from Rent retention (Form I.R.614A rec/2011) is a relevant evidence. This amount is transferred to the S.C.D. CALCULATION.</p> <ul style="list-style-type: none"> • It is noted that the S.C.D. paid by self-assessment for an individual lessee is not stated here because it is automatically transferred from the Collection System to the S.C.D. CALCULATION. • If the S.C.D. has not been withheld/paid, you shall present a copy of the S.C.D. CALCULATION or fill in the T.D. 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 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).
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E. INTEREST RECEIVABLE

Declare the interest income in the Republic, and/or outside the Republic, provided that you are a tax resident in the Republic.

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 [\(T.D. 1EEA\) 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.

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 CODE	<p>Select the appropriate code for each debtor or bank from whom/which you receive interest income:</p> <table border="1" data-bbox="587 1653 1404 2011"> <thead> <tr> <th>Code</th> <th>Debtor or Bank</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>From loans and other sources</td> </tr> <tr> <td>2</td> <td>From governmental securities</td> </tr> <tr> <td>3</td> <td>From bank deposits</td> </tr> <tr> <td>4</td> <td>From non-governmental securities</td> </tr> <tr> <td>5</td> <td>From sources outside the Republic</td> </tr> <tr> <td>6</td> <td>From UCITS</td> </tr> </tbody> </table>	Code	Debtor or Bank	1	From loans and other sources	2	From governmental securities	3	From bank deposits	4	From non-governmental securities	5	From sources outside the Republic	6	From UCITS
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1	From loans and other sources														
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<p>Column 4 GROSS INTEREST</p>	<p>Declare your share of gross interest received by each debtor or bank separately.</p>								
<p>Column 5 TAX PAID OUTSIDE THE REPUBLIC</p>	<p>Column 5 is related to code 5, that is with interest receivable from sources outside the Republic and any tax paid outside the republic should be declared here. It is noted that the overseas tax is not automatically transferred to the TAX COMPUTATION and the S.C.D. CALCULATION, and shall be transferred by you. The credit of the overseas tax, which is proportional to the relevant income, 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(.).</p>								
<p>Column 6 SPECIAL DEFENCE CONTRIBUTION WITHHELD</p>	<p>Declare your share of S.C.D. withheld which may vary depending on the source of interests:</p> <table border="1" data-bbox="592 748 1401 1037"> <thead> <tr> <th>Source</th> <th>Special Contribution for Defence</th> </tr> </thead> <tbody> <tr> <td>Interests from bank deposits</td> <td>30%</td> </tr> <tr> <td>From governmental securities</td> <td>3%</td> </tr> <tr> <td>From UCITS</td> <td>3%</td> </tr> </tbody> </table> <p>This amount is transferred to the S.C.D. CALCULATION to calculate the refundable defence contribution withheld from interest on deposits for income up to €12,000.</p> <p>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 either present a copy of the S.C.D. CALCULATION or fill-in the T.D. 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..</p> <p>The S.C.D. is paid at the end of every six months (by the 30th of June and by the 31st of December).</p>	Source	Special Contribution for Defence	Interests from bank deposits	30%	From governmental securities	3%	From UCITS	3%
Source	Special Contribution for Defence								
Interests from bank deposits	30%								
From governmental securities	3%								
From UCITS	3%								
<p>Column 7 INTEREST RECEIPT DATE</p>	<p>Declare the interest receipt date to calculate the correct amount of the S.C.D. withheld.</p>								
<p>Column 8 COUNTRY OF ORIGIN</p>	<p>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.</p>								
<p>Column 9 ACCOUNT TYPE</p>	<p>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.</p>								

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.
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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.

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

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 CODE	Code1: Dividends received from companies in the Republic Code2: Dividends received from companies outside the Republic Code3: Dividends from qualifying ships. Exempted from income tax as well as from special contribution for defence and not to be included in the total taxable dividends.
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 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 paid for dividends from sources outside the Republic, you shall present a copy of the S.C.D. CALCULATION or fill in the T.D. 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 S.C.D.CALCULATION. The S.C.D. is paid at the end of every six months (by the 30 th of June and by the 31 st of December).

<p>Column 7 TAX PAID OUTSIDE THE REPUBLIC</p>	<p>Column 7 is related to code 2, that is with dividends from companies outside the Republic. Any overseas tax paid should be declared here. It is noted that the overseas tax is not automatically transferred to the CALCULATION of TAX and S.C.D. and shall be transferred by you. The credit of the overseas tax which is proportional to the relevant income, 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.</p>
<p>Column 8 DIVIDEND RECEIPT DATE</p>	<p>Declare the dividend receipt date to calculate the correct amount of the S.C.D. withheld.</p>

G. REDEMPTION OF LIFE INSURANCE POLICIES

Does not apply to life insurance policies redeemed in time.

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 ([T.D. 1Self Employed](#)).

Minimum guaranteed income allowance, maternity allowance or any other allowances, even though they are not taxable according to article 8 of the Income Tax Law N118 (I) 2002, are to be declared here with code 3,4 and 5 respectively. It is noted that these allowances are not included in the total TAXABLE INCOME.

I. TOTAL INCOME

All the income declared in Part 4 INCOME, paragraphs A to H (except paragraph G) is added here automatically and transferred to the INCOME TAX COMPUTATION / Total Taxable Income.

PART 5 – DEDUCTIONS / ALLOWANCES

A. MISCELLANEOUS DEDUCTIONS

In this part declare contributions/donations and any other deductions listed on your emoluments certificate (T.D. 63) which are exempted from your taxable 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. DEDUCTIONS FOR LIFE INSURANCE PREMIUMS, CONTRIBUTIONS TO SOCIAL INSURANCE, PENSION, PROVIDENT FUND, ETC.

In this part you shall declare Life Insurance Premiums and contributions to the various Funds, based on the emoluments and other 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, NAME OF FUND.

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 Policy
- 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 Life 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 premiums cannot exceed 1.5% of the gross income, (except income from interest and dividends) when calculating the Tax.**
- **CODE 5: WIDOW'S PENSION FUND**

INCOME TAX COMPUTATION

The tax is automatically calculated even in the case where 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 the TAX COMPUTATION / DEDUCTIONS. These are marked in red below.**
- **The amounts in the Tax Department's Collection System, relating to a temporary tax and self-assessments for 2018, appear automatically in the TAX COMPUTATION. 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)
AIF CARRIED INTEREST AND UCITS PERFORMANCE FEE, code 8 (see NOTE 6 of the Declaration)		

LOSSES OF CURRENT YEAR	PART 4H (column 5)			
LOSSES FROM PREVIOUS YEARS Non-transferrable	2017 LOSS From taxation			
DIVIDENDS - codes 1 and 2	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)	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)				
<u>MEDICAL FUND AND MEDICAL INSURANCE, code 4</u>	PART 5C To be restricted to 1.5% of the gross income (except interest and dividends)			
<u>LIFE INSURANCE PREMIUMS, code 3</u>	PART 5C To be restricted to 7% of the insured amount			
<u>SOCIAL INSURANCE, PROVIDENT, PENSION AND WIDOWS FUND codes 1,2,5</u>	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)		€	¢	
<u>ADD: 20% TAX FOR WIDOWS PENSION EXCEEDING €19500 (see NOTE 5 of the Declaration) Non-transferrable</u>	PART 4B1 Code 6	@ 20%		
<u>ADD: 5% TAX FOR PENSION OUTSIDE THE REPUBLIC EXCEEDING €3420(see NOTE 5 of the Declaration)</u>	PART 4B1 Code 2	@ 5%		€ c

<u>ADD: 8% TAX FOR INCOME FROM EMPLOYMENT WITH SPECIAL RATE</u>	PART 4A1 Code 8	@8%			
TOTAL TAX AMOUNT €					
<u>LESS</u> : TEMPORARY TAX Transferred by the T.D. Collection System					
<u>ADD 10% ADDITIONAL TAX (see NOTE 7 of the Declaration)</u> Not calculated automatically					
<u>LESS</u> : TAX DEDUCTED AT SOURCE					PART 4A1, column 7 PART 4B1, column 5
<u>LESS</u> : OVERSEAS TAX (only for income taxable in the Republic) Non-transferrable					
TAX DUE / REFUND					

Tax Rates for 2018

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: In time payments can be made electronically from the website www.jccsmart.com.cy or at the Local 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 or present a copy of the S.C.D. CALCULATION
- **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).

SOURCE OF INCOME	Semester A			Semester B		
	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						
OVERSEAS TAX						
S.C.D. SELF ASSESSMENT PAID PER SEMESTER						
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	<input type="text"/>	To	<input type="text"/>	
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 tool in the T.D. website) or by presenting a copy of the SCD CALCULATION.						

PART 6 – DECLARATION

Place a ✓ at the box to declare the truthfulness and correctness of your return. **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 for 2018	31/07/2019
Last date of due tax payment	31/07/2019