REPUBLIC OF CYPRUS

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

Guide to completing the
income tax return for individuals 2022

This guide is for information purposes and does not replace any tax legislation

Contents

PART 1 – TAXPAYER'S DETAILS

If there have been any changes on personal details , fill in and submit or send by e-mail to the dept's district tax offices form TD2003 .

PART 2 – REPRESENTATIVE'S DETAILS

If you have changed representative, complete and submit form TD2003 or send it by e-mail to the dept's district tax offices .

PART 3 – TAX RESIDENCE AND OTHER INFORMATION

A) TAX RESIDENCE and other information

The way you are taxed depends on **whether or not** you are a tax resident of the Cyprus Republic.

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

1. You stayed in the Republic for a period or periods totalling over 183 days in 2022 or under the EU Protocol on Privileges and Immunities **or**

2. You stayed in the Republic for at least 60 but less than 184 days **and**
   - you owned or rented a permanent residence in the Republic
   - you were not resident in any other country for more than 183 days
   - you were not a tax resident in any other country and
   - you owned a business or were employed or held an office in the Republic as at 31st December of 2022

If any of the above requirements apply, you are a tax resident of the Republic and must declare your **WORLDWIDE** income.

    NO   **You are not a tax resident in the Republic of Cyprus if:**

None of the above requirements apply, and you must declare **ONLY** your income from sources **IN** the Republic and **select the country of your Tax Residency**.

B) INFORMATION FOR THE PURPOSES OF THE GENERAL HEALTH SYSTEM (GHS)

1. SELF-EMPLOYED AND SOCIAL INSURANCE PENSIONERS of SIS of Cyprus

If in 2022, you received a Pension or you were registered as a self-employed **with the Social Insurance Services of the Republic of Cyprus**, fill in the information below before starting the completion of your tax return to enable the retrieval of your income subject to GHS, social insurance and GHS contributions.

Social Insurance Number (SI No.)	
Date of Birth (DD/MM/YYYY)	
Gender	

If income from self-employment is retrieved, completion of PART 4I (ANY OTHER INCOME) is required.

In case of an unsuccessful retrieval, select from the top part of the return the choice "SIS/TREASURY INFORMATION RETRIEVAL" to enable the completion of this part.

2. **COUNTRY OF INSURANCE FOR SOCIAL INSURANCE AND GHS PURPOSES**

If you are insured in another country of the European Economic Area (EEA) or Switzerland or any other international organization, such as the United Nations, select the relevant country/organization from the drop down list and declare the document by which you are exempt from GeSY contribution as follows:

1. **S1 Card /white coloured hospital ID card Y.Y. (I.Y.)91** issued to the owners of S1 card (former (E121) (E106) (E109) for taxpayers insured in another country. Complete parts **1(**type) & **4** (reference number) printed on the first page of the white coloured hospital card.

2. **A1 Card /Certificate concerning the Social Security legislation which applies to the holder** Complete parts **1** (type) & **2a - 2c** (details of A1 card) as it has an expiration date.

3. **OTHER i.e. EXCEMPTION CERTIFICATE issued by the Ministry of Health** Complete parts **1** (type) & **3-4** (date of issue and reference number) of the MOH confirmation certificate.

If none of the above apply, contact the MINISTRY OF HEALTH to acquire an exception certificate.

3. **CONTRIBUTIONS YOU HAVE MADE TO AN EQUIVALENT HEALTH PLAN OF ANOTHER COUNTRY IN 2022**

Declare the contributions paid to an equivalent health plan in another country plus the name of the country in order to obtain the appropriate tax deduction.

PART 4 – INCOME

A1. SALARIED SERVICES

Declare your income from employment as reported on the TD63 emoluments certificate issued by your employer.

Column 1	EMPLOYER'S T.I.C.
• Enter your employer's T.I.C*.* The final character is written in english CAPITAL letters*.* • No need to enter an employer's T.I.C. if you are **unemployed** (*code5*) or if your employer is outside the Republic (*codes 2,4*).	

Column 2	EMPLOYER'S NAME/BUSINESS NAME
Enter the name/business name of your employer. If you did not work during the year, enter the word 'UNEMPLOYED'.	

Column 3	CODES
Code 1	**IN THE REPUBLIC** Income from employment **in the Republic (including benefits subject to SI)**.
Code 2	**OUTSIDE THE REPUBLIC** Income from employment and benefits **outside the Republic**.

Code 3	**IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC PRIOR COMMENCEMENT OF EMPLOYMENT in CYPRUS 8(21) until 25/07/2022** For income **up to** EUR 100 000 If you are employed in the Republic but were resident outside the Republic during the year prior to the year of your employment in Cyprus, you are entitled to an allowance of 20% (capped at EUR 8 550) of your annual income **as from the 1st of January of the year following the year in which your employment started.** The allowance applies for a 5 year employment period which started in or after 2012. You must also fill in part A2 (1-4) (*see instructions below*).
Code 4	**OUTSIDE THE REPUBLIC FOR A TOTAL PERIOD OF OVER 90 DAYS** If you worked **outside the Republic** as an employee: • of an employer which is not a tax resident of the Republic or • of an employer which is a tax resident of the Republic and has a permanent establishment outside the Republic for a period of over 90 but less than 183 days during the tax year, you will not be taxed on that income.
Code 5	**UNEMPLOYED** If you have not worked for some time (months) or at all during the year use this code. Do **NOT** enter unemployment benefits as income.
Code 6	**IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC PRIOR COMMENCEMENT OF EMPLOYMENT in CYPRUS 8(23) until 25/07/2022** For income **over** EUR 100 000 If you are employed in the Republic but were resident outside the Republic during the year prior to the year of your employment in Cyprus, you are entitled to an allowance of 50% of your annual income for a 10 year period as from the 1st of January **of the year in which your employment started.** You must also fill in part A2(1-4) (*see instructions below*).
Code 7	**BENEFITS FROM DEBIT BALANCES OF RELATED PARTIES OF LEGAL PERSONS** The benefit from a loan granted to directors/shareholders or other related parties of a company.
Code 8	**AIF CARRIED INTEREST AND UCITS PERFORMANCE FEE** Declare any fee which constitutes carried interest in an Alternative Investment Fund or the performance fee paid by an Undertaking for Collective Investment in Transferable Securities. These fees are taxed at the rate of 8% with a minimum amount in tax of EUR 10 000.
Code 9	**BENEFITS FROM EMPLOYMENT NOT SUBJECT TO SOCIAL INSURANCE (SI)** Declare benefits classified as 'benefits in kind' reported on your TD63A emoluments certificate which **are not insurable** with Social Insurance Services, such as the use of a car, rent, etc. (see the Information Leaflet on 'Benefits in Kind' and Circular EE 32/2019).

Code 12	**IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC PRIOR COMMENCEMENT OF EMPLOYMENT in CYPRUS (01/01/2022 – 29/06/2023) 8(23A)2022**
	If you were a resident outside the Republic for at least ten **(10)** consecutive years before the year of your **first employment** in Cyprus and your emoluments are more than €55000 and:
	• Provide salaried services at the Republic and your **first employment** is from 01/01/2022 – 29/06/2023 - **8(23A)/2022** or
	• Provided salaried services at the Republic and benefited from the exemption based on article 8(23) for continuous employment for the same employer as from the year of commencement until the year 2021 - *transitional provisions* **8(23)** or
	• Provided salaried services at the Republic during the years 2016-2021 and the remuneration for the first 12 months was either exceeding the €55000 or not, but exceeded for the period 26/01/2022 – 26/01/2023 – *transitional provisions* **8(21)**
	then, you are entitled to an allowance of 50% of your annual emoluments from first employment, for a period of 17 consecutive years starting from the 1st of January **of the year in which your employment started**. You must also fill in part A2 (1-12) (*see instructions below*)
Code 13	**IN THE REPUBLIC – RESIDENT OUTSIDE THE REPUBLIC PRIOR COMMENCEMENT OF EMPLOYMENT in CYPRUS (as from 30/06/2023) 8(23A)2023**
	If you were a resident outside the Republic for at least fifteen **(15)** consecutive years before the year of your employment in Cyprus and your emoluments are more than €55000 and:
	• Provide salaried services at the Republic and your employment is from 30/06/2023 - 8(23A)/2023 or
	• Provided salaried services at the Republic and benefited from the exemption based on article 8(23) for **continuous** employment as from the year of commencement until the year 2021 - *transitional provisions* **8(23)** or
	• Provided salaried services at the Republic during the years 2016-2021 and the remuneration for the first 12 months was either exceeding the €55000 or not, but exceeded for the period 26/01/2022 – 26/01/2023 – *transitional provisions* **8(21)**
	then, you are entitled to an allowance of 50% of your annual emoluments from first employment, for a period of 17 consecutive years starting from the 1st of January **of the year in which your employment started** . You must also fill in part A2 (5-8, 11-12) (*see instructions below*)
Column 4	**OFFICER**
Persons who hold or exercise government, municipal or other office and every commissioner or regulator appointed under a provision of law with emoluments or benefits not subject to social insurance (SI) legislation (**GESY is contributed from the employer as well**).	

Column 5	PERIOD (months)
Declare the total number of months in which you were employed for each employer separately or the number of months you were unemployed during the year. The 13th month does not count as a month's employment (e.g. 1 year = 12-month period).	
Column 6	GROSS EMOLUMENTS IN THE REPUBLIC
Declare total gross remuneration from employment in the Republic (codes 1, 3, 6, 7, 8, 9, 12 and 13). **Any benefits** reported on your emoluments certificate <u>TD63A</u> which are not subject to social insurance should be declared separately under code 9. Round to the nearest euro (without cents).	
Column 7	GROSS EMOLUMENTS OUTSIDE THE REPUBLIC
Declare total gross remuneration from employment outside the Republic (codes 2 and 4). Round to the nearest euro (without cents).	
Column 8	TAX WITHHELD
Declare the exact amount of tax (including cents) withheld in and outside the Republic by each employer separately, as reported on your emoluments certificate. **Insert a comma (,) before the cents, not a full stop. Attention: tax withheld should not exceed 35% of total income.**	
Column 9	GHS CONTRIBUTION WITHHELD
Declare the GHS contribution (including cents) withheld in the Republic by each employer separately. **Insert a comma (,) before the cents, not a full stop. Attention: GHS contribution withheld should not exceed the rates of GHS in force at that time (2,65%).**	
Columns 10+11	ARTICLE 8 (23A) DATE OF FIRST EMPLOYMENT DURING 2022
Codes 12+9	Complete ONLY if first employment date is during the 2022 tax year. If you have benefits from employment not subject to Social Insurance contribution (code9), add those up with emoluments declared using code 12 (first employment).

A2. INCOME WITH CODE 3, 6, 12 or 13

It applies mainly to the first employment of patriated Cypriots or foreign nationals on temporary secondment/contract in the Republic.

This should be filled in **<u>ONLY</u>** if you have selected code 3 , 6, 12 or 13 (column 3 above) by entering the following information:

(1) the date on which you resided to the Republic, for the purpose of calculating the number of days up to the commencement date of your employment;

(2) the date of the commencement of your employment in the Republic and the date on which you terminated employment (if applicable);

(3) the total number of days you resided outside the Republic the year prior to the year of your employment started, to confirm that you were a resident outside the Republic of Cyprus (up to 365 days);

(4) the allowance to which you are entitled (20% or 50% of your gross emoluments in the Republic) based on the code selected in column 3. This allowance cannot be claimed in PART 5 of the Return (DEDUCTIONS/ALLOWANCES) as well. This amount is carried over automatically to the TAX CALCULATION and is capped at the maximum amount allowed by law.

NOTE: For emoluments declared with code 12 (column 3) answer ALL questions that follow, whereas for code 13 ONLY 5,6,7,8 11 and 12. Consult relevant TABLES summarizing specific articles 8(21), 8(21A) @ 8(23), 8(23A)

A3. RETROSPECTIVE INCOME

This applies mainly to public servants or retired public servants. Mandatory completion.

1. If your emolument certificate for the current year reports retrospective income for previous years, it should be declared ONLY if tax deducted at source is NOT the right amount. If this is the case, you must file a REVISED Return and declare the retrospective income to the year it concerns and not the year of its actual payment.

2. If the retrospective income relates to the years 2012-2016, you must answer YES so that it will be taxed for the purposes of the Extraordinary Contribution of the Private Sector (Law 112/2011) as well.

B1. PENSIONS

Declare the pensions received based on your certificates (e.g. pension certificate issued by the Treasury Dpt. or by the organisation or service which pays your pension).

If you receive a pension from SIS/Treasury Dpt. of the Cyprus Republic, the amounts are *retrieved automatically when the part "SIS/TREASURY INFORMATION RETRIEVAL" is filled in*.

Column 1	T.I.C.
Fill in the Tax Identity Code of the organisation/service/person from which you receive a pension (The final character is an English capital letter). **Where necessary, this is filled in automatically** using the icon ⬉ in column 2 (NAME). **For foreign pensions (codes 2 or 8) NO COMPLETION.**	

Column 2	NAME
You **must** fill in the name of the organisation/service/person from which you receive a pension. **This is filled in automatically** using the icon ⬉ in this column.	

Column 3	CODES	
Code 1	**NORMAL RATE FOR PENSIONS OF THE REPUBLIC** • Pension paid by the Treasury Dpt: **This is filled in automatically** using the icon ⬉ in column 2 (NAME). • Pension paid by other organisations: semi-public, banking, etc. Widow's /missing persons pension: choose how your widow's pension is to be taxed, i.e. either at a normal rate or at a special rate (code 6 below), by comparing the results obtained from the 2 different choices. See Circular 2015/12**.** **All widow pensions must be declared with the same code (either 1 or 6)**	
Code 2	**REDUCED RATE FOR FOREIGN PENSIONS** For a **foreign pension** which you choose to be taxed at a reduced tax rate (5% of the amount over EUR 3 420) and which is not added to any other income. You must declare the **full** amount of the foreign pension in column 4.	

Code 3	**EXEMPT PENSIONS**
	Exempt pensions, such as pensions paid under the Relief of Victims Laws 1988 to 2001.
Code 4	**PENSIONS PAID BY SOCIAL INSURANCE SERVICES (SIS)**
	Regular/institutional pensions or incapacity/disability pensions paid by the Social Insurance Fund (not widow's pensions). **This is filled in automatically** by retrieving the pension paid by SIS.
Code 5	**PENSIONS PAID TO NON-TAX RESIDENTS FROM EMPLOYMENT IN THE REPUBLIC**
	Pensions paid to non-tax residents from previous employment in the Republic.
Code 6	**WIDOW'S PENSION OF THE REPUBLIC**
	All widow pensions must be declared with the same code (either 1 or 6)
	Widow's/missing persons pension paid by the Treasury or Social Insurance Services which you choose to be taxed at a special rate (20% for the amount over EUR 19 500) and which is not added to any other income.
	If the widow's pension is **your sole income and you choose the special rate**, ONLY the reduction in emoluments (not life assurance premiums or medical insurance) will be deducted from the Tax Calculation. See Circular 2015/12.
Code 8	**NORMAL RATE FOR FOREIGN PENSIONS**
	Foreign pensions which you choose to be taxed at the **normal rate** rather than at the reduced rate under code 2 above.
Column 4	**PENSION AMOUNT**
Declare the gross pension paid before tax, rounded up to the nearest euro (without cents). Filled in automatically for pensions paid by SIS/Treasury dept .	
Column 5	**TAX WITHHELD**
Declare the exact amount (including cents) of tax withheld in and outside the Republic. **Insert a comma (,) before the cents, not a full stop.**	
Column 6	**GHS CONTRIBUTION WITHHELD**
Declare the GHS contribution (including cents) withheld in the Republic. **Insert a comma (,) before the cents, not a full stop.** Filled in automatically for pensions paid by SIS/Treasury dept.	

B2. RETROSPECTIVE INCOME

It applies mainly to retired public servants. Mandatory completion.

1. If your emolument certificate for the current year reports retrospective income for previous years, it should be declared ONLY if tax deducted at source is NOT right. If this is the case, you must file a REVISED Return and declare the retrospective income to the year it concerns and not the year of its actual payment.

2. If the retrospective income relates to the years 2012-2016, you must answer YES so that it will be taxed for the purposes of the Extraordinary Contribution of the Private Sector (Law 112/2011) as well.

C. RENTS

Declare the income earned or generated from rents in the Republic and/or outside the Republic during the tax year.

Column 1	PROPERTY REGISTRATION CERTIFICATE NUMBER
Enter the registration number of the rented property as stated on the title deed.(not mandatory)	

Column 2	CODES
Select one of the codes below to obtain the percentage (%) for the capital allowance corresponding to the immovable property which you let: • **1 (Office), 2 (Shop), 3 (Apartment), 4 (House) 10 (Building granted 10% amortisation)** @ 3% for 33 1/3 years subject to certain requirements. For the 34th year, declare the amount not amortised. • **5 (Warehouse), 8 (Factory/Hotel) @ 4%** for 25 years. • **8 (Factory/Hotel)** acquired in the tax years 2012-2018 **@ 7%.** For the 15th year, declare the amount not amortised. • **6 (Land), 7 (Car Park), 9 (Other property), 11 immovable property under requisition order @ 0%.**	

Column 3	COMPLETION/ERECTION DATE
Declare the date on which the immovable property was completed/erected in order to determine the date on which capital allowances commence.	

Column 4	HANDOVER/ACQUISITION DATE
Declare the date on which the immovable property was handed over (e.g. by the contractor) or acquired (e.g. gifted, purchased, inherited).	

Column 5	ACQUISITION COST/SURFACE AREA M2
Declare the **acquisition cost** of the rented immovable property corresponding to your share, regardless of how it was acquired (e.g. erected, purchased, gifted, inherited, etc.), so that the capital allowance to which you are entitled can be calculated. **Please note:** • **Do NOT include the cost of the land** on which the immovable property was erected. • **Do NOT declare as acquisition cost the value** of the immovable property estimated by the Land Registry Dept (as stated on the title deed as at 1st of January 2013 or 1st of January 2018). • **If the same property will be declared twice due to more than one tenants for the same year, enter 1 EURO as cost** Declare the **surface area** of the rented immovable property so that the acquisition cost of the property can be verified.	

Column 6	LESSEE'S T.I.C./ID CARD NUMBER
• **Lessee: INDIVIDUAL** It is **NOT** necessary to fill in the T.I.C./identity card number if the lessee is an individual, in which case columns 15&16 (Special Defence Contribution and GHS contribution withheld) are **NOT** filled in. • **Lessee: COMPANY/PARTNERSHIP/MUNICIPALITY/COMMUNE/STATE** The lessee's T.I.C. **must** be declared, as shown on form IR.614/2019 (Confirmation of Withholding of Special Contribution for Defence and GHS from Rents).	

Column 7	LESSEE'S NAME

You **must** fill in your tenant's name.

Column 8	SHARE OF OWNERSHIP

Declare the share of ownership as a percentage (%), e.g. if you own the ENTIRE property declare 100, if you own half declare 50, etc. The amounts declared in column 5 and in columns 10 to 14 must correspond to your share of ownership and must be calculated based on the gross rent.

Column 9	OWNERSHIP AS AT 31 DECEMBER 2022

If you are the owner, even if a title deed has not yet been issued on your name, or if you sold the immovable property during the year, capital allowances will or will not be granted accordingly.

Column 10	GROSS ANNUAL RENTS IN THE REPUBLIC

Declare your share of gross annual rents in the Republic. ***The 20% expenditure allowance for rented properties is deducted automatically from the Tax Calculation.*** N.B. No expenditure allowance is granted for codes 6, 7 ,9 or 11.

Column 11	GROSS ANNUAL RENTS OUTSIDE THE REPUBLIC

Declare gross annual rents outside the Republic. ***The 20% expenditure allowance for rented properties is deducted automatically from the Tax Calculation.*** N.B. No expenditure allowance is granted for codes 6, 7, 9 or 11.

Column 12	CAPITAL ALLOWANCES

This is filled in automatically by multiplying the cost corresponding to your share in column 5 by the amortisation rate to which you are entitled based on the code selected for the rented property in column 2 (*for your convenience, the rate is shown alongside of each code*).

Column 13	INTEREST ON RENTAL PROPERTIES

The interest on a loan granted to purchase or erect the rental property is deducted in full.

Column 14	TAX PAID OUTSIDE THE REPUBLIC

If the rents are from sources outside the Republic, declare any foreign tax paid. Tax paid outside the Republic is calculated and **carried forward automatically to the SDC CALCULATION and any amount left can be transferred to the TAX CALCULATION.** The foreign tax payable on this particular income is capped at the tax assessed in Cyprus.

Declare the exact amount in tax (including cents). Insert a comma (,) before the cents, not a full stop.

Columns 15@16	AMOUNTS WITHHELD IN THE REPUBLIC BY LEGAL ENTITIES

SPECIAL DEFENCE CONTRIBUTION/GHS CONTRIBUTION

- Declare the SDC and GHS contribution **withheld** by a tenant which is **a company, a partnership or the State** (payment codes 614 and 714) for the T.I.C. declared in column 6 above and on form IR.614/2019 (Confirmation of Withholding of Special Defence Contribution and GHS from Rents). This amount is carried forward to the GHS and SDC Calculation.

- *Important: The SDC and GHS contribution paid by self assessment (payment codes 604 and 704) in the case of a tenant who is an individual is NOT entered here as it is carried forward automatically from the Collections System to the SDC and GHS Calculations.*

- The SDC is charged on 75% of the gross rents at an annual rate of 3% and is paid every 6 months (on 30 June and 31 December).

- The GHS contribution is charged on the gross rents at the rate of 2,65% .

D. BUILDINGS UNDER PRESERVATION ORDER

This is filled in only if maintenance work on the building under preservation order has been completed and **you are in possession of the necessary Ministry of the Interior certificate issued by the Department of Town Planning and Housing**. Otherwise, rents payable are declared in PART 4C. The deduction for buildings under preservation order is calculated and apportioned separately across the years in which maintenance work was carried out. If the deduction for the year is less than the taxable income, it is carried forward to the following year until the loss has been absorbed. If it transpires on completion of the maintenance work that you are also entitled to a deduction for previous years, notify the Department so that the tax paid in the previous years affected can be reassessed. See EE 2009/1.

Column 1	PROPERTY REGISTRATION CERTIFICATE NUMBER
The registration number of the building under preservation order, as stated on the certificate issued by the Department of Town Planning and Housing.	

Column 2	RECOGNISED COST
The recognised cost of the building under preservation order, as stated on the certificate issued by the Department of Town Planning and Housing	

Column 3	RECOGNISED AREA IN M2
The recognised area of the building under preservation order, as stated on the certificate issued by the Department of Town Planning and Housing.	

Column 4	LESSEE'S T.I.C./ID CARD NUMBER
Lessee: INDIVIDUAL It is **NOT** necessary to fill in the T.I.C./identity card number if the tenant is an individual, in which case column 16 (Special Defence Contribution withheld) is **NOT** filled in. **Lessee: COMPANY/PARTNERSHIP/MUNICIPALITY/COMMUNE/STATE** You **must** declare the tenant's T.I.C. as stated on form IR.614/2019 (Confirmation of Withholding of Special Contribution for Defence and GHS from Rents).	

Column 5	LESSEE'S NAME
You **must** declare your tenant's name.	

Column 6	SHARE OF OWNERSHIP
Declare the share of ownership of the building under preservation order, e.g. if you own the entire building declare 100, if you own half declare 50, etc. Columns 10, 11, 12, 13, 14, 15, and 16 must be completed according to the share of ownership.	

Column 7	YEAR OF COMMENCEMENT OF WORKS
Declare the year of commencement of maintenance works as stated on the certificate issued by the Department of Town Planning and Housing.	

Column 8	DATE OF TOWN PLANNING CERTIFICATE
This is the date on the certificate issued by the Department of Town Planning and Housing confirming that maintenance work on the building under preservation order has been completed and stating the expenses incurred each year for maintenance of the building (see bottom left-hand side of certificate).	

Column 9	PRESERVATION ORDER NUMBER
Declare the number of the building preservation order (Regulatory Administrative Act) for the building, as stated on the certificate issued by the Department of Town Planning and Housing.	
Column 10	**TOTAL RESTORATION EXPENSES UP TO 2021**
Enter the total expenses, as stated for each year on the certificate issued by the Department of Town Planning and Housing, excluding the current year's expenses.	
Column 11	**RESTORATION EXPENSES IN 2022**
Enter the expenses incurred in the tax year for maintenance work on the building under preservation order, as stated on the certificate.	
Column 12	**GRANTS ALLOWED**
Declare the grants towards the maintenance costs allowed by the Special Preservation Fund, as stated on the certificate issued by the Department of Town Planning and Housing.	
Column 13	**TRANSFER OF COEFFICIENT**
Fill in the amount from the sale of the coefficient, as stated separately on the certificate issued by the Department of Town Planning and Housing.	
Column 14	**DEDUCTION FOR THE YEAR [Columns: 11 x (2-12-13)/(10+11)]**
This is the deduction to which you are entitled for the year, as obtained from the mathematical formula shown in this column.	
Column 15	**RENTS**
Declare the gross rental income for the building under preservation , provided the works have been completed and the Department of Town Planning and Housing has issued the necessary certificate. It is exempt for the purposes of income tax and for GHS contribution, but is not exempt for the purposes of the Special Defence Contribution.	
Column 16	**DEFENCE CONTRIBUTION WITHHELD IN THE REPUBLIC**
- Declare the SDC withheld by a tenant which is a company, a partnership or the State (payment code 614) for the T.I.C. declared in column 4 above and on form IR.614/2019 (Confirmation of Withholding of Special Contribution for Defence and GHS from Rents). This amount is carried forward to the SDC Calculation. *Important: The SDC paid by self assessment (payment code 604) for a tenant who is an individual is not entered here as it is carried forward automatically from the Collections System to the SDC Calculation.* - The SDC is charged on 75% of the gross rents at an annual rate of 3% and is paid every 6 months (on 30 June and 31 December). Rental income from such buildings is exempt from GeSY.	

E. INTEREST RECEIVABLE

If you are a tax resident in the Republic, declare interest income both from sources in and outside the Republic. Interest income is not subject to income tax, but it is subject to SDC and GHS contribution.

IMPORTANT: To claim a refund of the SDC deducted on interest from deposits, you must fill in this part. The SDC refund is calculated automatically in the SDC CALCULATION **only if your total income declared in PART J of the Return (including the interest) does not exceed EUR 12 000**.

Column 1	T.I.C./ ID CARD NUMBER

Declare the T.I.C./identity card number of the debtor or bank. Click on the blue title of this column and copy the correct TIC from the help list.

Column 2	NAME OF DEBTOR OR BANK

Declare the name of the debtor or bank from which you receive interest.

Column 3	CODES

Choose the code for each debtor or bank from which you receive interest:

Code	Debtor or Bank
1	From loans and other sources 30% SDC *(without SDC withheld at source)*
2	From securities and government bonds 3% SDC
3	From bank, cooperative society and Housing Finance Corporation deposits and public corporation debentures 30% SDC
4	From non-government bonds 30%
5	From sources outside the Republic 30% SDC *(without SDC withheld at source)*

Column 4	GROSS INTEREST

If you have a joint account with others, declare your share of the gross interest received from each debtor or bank separately.

Column 5	TAX PAID OUTSIDE THE REPUBLIC

Column 5 correlates with code 5, i.e. interest received from sources outside the Republic. Declare your share of any foreign tax paid. Foreign tax paid is being transferred automatically to the SDC Calculation to be offset against any special defence contribution due for interest received from abroad and capped to the payable amount.

Declare the exact amount of tax (including cents). Insert a comma (,) before the cents, not a full stop.

Column 6	SPECIAL DEFENCE CONTRIBUTION WITHHELD

Declare your share of the SDC withheld at source, which varies depending on the source of the interest:

Source	Special Defence Contribution
Interest from bank deposits	30%
From government bonds	3%

This amount is carried forward to Deductions in the SDC Calculation in order to calculate the refund of the defence contribution on interest on deposits for income of up to **EUR 12 000**.

If the defence [contribution] is not withheld at source (e.g. interest from abroad), a debt is created in the SDC CALCULATION for tax residents of the Republic.

The SDC is paid in two six-monthly instalments (on 30 June and 31 December).

Column 7	GHS CONTRIBUTION WITHHELD

Declare the GHS contribution withheld at source. **Insert a comma (,) before the cents, not a full stop.**

Column 8	INTEREST RECEIPT DATE
Declare the interest receipt date so that the correct rate for the withheld SDC can be calculated.	

Column 9	COUNTRY OF ORIGIN
Fill in **only** if the interest income is from sources **outside the Republic** (code 5). This is filled in automatically using the icon 🔍 by selecting the country of origin of the interest.	

Column 10	ACCOUNT TYPE
Fill in **only** if the interest income is from sources **outside the Republic** (code 5) and select the type of account which you hold abroad (e.g. IBAN, OBAN, ISIN, OSIN) from the drop down list.	

Column 11	ACCOUNT NUMBER
Fill in **only** if the interest income is from sources **outside the Republic** (code 5) and enter the number of the account which you hold abroad.	

F. DIVIDENDS

Declare income from dividends in the Republic and/or outside the Republic, provided that you are a tax resident of the Republic. Income from dividends is not subject to income tax. However, it is subject to SDC and GHS contribution.

Column 1	T.I.C./IDENTITY CARD NUMBER
Declare the Tax Identity Code of the company from which you receive the dividend.	

Column 2	COUNTRY OF ORIGIN
Fill in only if the dividends are paid by companies **outside the Republic** (code 2). This is filled in automatically using the icon 🔍 by selecting the country of origin of the dividends.	

Column 3	BUSINESS NAME OF COMPANY
Declare the business name of the company which pays the dividend.	

Column 4	CODES
Code 1: Dividends from companies **in** the Republic **Code 2:** Dividends from companies **outside** the Republic **Code 3:** Dividends from an **eligible vessel manager** which are subject to tonnage tax and are **exempt both from income tax and SDC and GHS contribution**. Important: Code 3 dividends are **NOT** included in TOTAL TAXABLE DIVIDENDS. **Code 4: Deemed** Dividends reported in 2022 from profits of 2020 and paid by companies in the Republic to shareholders who are individuals with GHS contribution withheld.	

Column 5	GROSS DIVIDEND
Declare the gross dividend you received during the tax year in question.	

Column 6	SPECIAL DEFENCE CONTRIBUTION WITHHELD

Declare the SDC withheld, as shown on the dividend counterfoil issued by the company. This amount is carried forward to Deductions in the SDC Calculation. N.B. The SDC paid by self assessment is **not** recorded here, as it is carried forward automatically from the Collections System to the SDC Calculation.

The SDC is paid in two six-monthly instalments (on 30 June and 31 December).

Column 7	GHS CONTRIBUTION WITHHELD

Declare the GHS contribution withheld at source. **Insert a comma (,) before the cents, not a full stop.**

Column 8	TAX PAID OUTSIDE THE REPUBLIC

Column 8 correlates with code 2, i.e. dividends paid by companies **outside** the Republic. Declare any foreign tax paid. Foreign tax paid is being transferred automatically to the SDC Calculation to be offset against any special defence contribution due for dividends paid by companies outside the Republic and capped to the payable amount.

Declare the exact amount in tax (including cents). Insert a comma (,) before the cents, not a full stop.

Column 9	DIVIDEND RECEIPT DATE

Declare the dividend receipt date so that the correct rate for the withheld SDC can be calculated.

G. REDEMPTION OF LIFE INSURANCE POLICIES

Fill in **only if you redeem** a life insurance policy **within 6 years** of its start date. Specifically:

- If you redeem your insurance policy within 3 years of its start date, 30% of the total premium discount you were granted will be counted as additional income for tax purposes. N.B. The **total** premiums discounted between the issue date and the redemption date of the life insurance policy must be declared in column 5.

- If you redeem your insurance policy between the 4th and 6th year from its start date, 20% of the total premium discount you were granted will be counted as additional income for tax purposes. N.B. The **total** premiums discounted between the issue date and the redemption date of the life insurance policy must be declared in column 5.

H. INCOME FALLING UNDER ARTICLE 5 WHICH IS EXEMPT FROM INCOME TAX

Enter income which is **exempt** from Income Tax (Articles 8 and 36(3)) **BUT** is subject to the GHS contribution by selecting the appropriate code.
This income is carried forward to the GHS Calculation and Tax Calculation. It is included in Gross Income but **deducted** from taxable income.

I. ANY OTHER TAXABLE INCOME

- If you have income from self-employment and such information is being retrieved from the Social Insurance Services of Cyprus, you must fill in this part.

- Additionally, any commercial profits/losses from a share in a partnership or income from subsidies from the Agricultural Insurance Organisation or the Cyprus Agricultural Payment Organisation must be declared here.

- Income from leases and property use rights (rents) is declared here. Such income is not taxed for Special contribution for defence (SCD) purposes but it is taxed for GHS.

Although, according to Article 5 of the Income Tax Law (Law 118(I)/2002), the Minimum Guaranteed Income Allowance, Maternity Allowance and other Non-Taxable Amounts are not taxed, they are declared against codes 3, 4 and 5 respectively in this part for information purposes.
Important: Such allowances are **NOT** included in TOTAL TAXABLE INCOME.

N.B. If you continue to have regular commercial income, besides income from salary, you must complete a Return for Self-Employed Persons (T.D.1A self- employed).

J. TOTAL INCOME

All income declared in PART 4 INCOME (paragraphs A to I), with the exception of paragraph G, is automatically added together and carried forward to the TAX CALCULATION/Total Income.

PART 5 – DEDUCTIONS/ALLOWANCES

A. MISCELLANEOUS DEDUCTIONS

Declare subscriptions/donations and other allowances reported on your emoluments certificate TD63A which are deducted from your taxable income, such as:

- Trade Union Subscriptions (e.g. PASYDY, SEK, PEO)

- Professional Subscriptions (e.g. SELK, ETEK, etc.)

- Donations (receipts must be kept and presented on demand)

- Salary Reductions (applies to the public and broader public sector)

- Donations to political parties of up to EUR 50 000 (receipts must be kept and presented on demand)

B. INVESTMENT IN SHARES OF INNOVATIVE COMPANIES

This part is used to declare expenses incurred by individuals to invest venture capital in an innovative small or medium-sized enterprise. These expenses are deducted from the person's taxable income at the time of investment. The amount deducted is capped at 50% of the person's taxable income in the tax year in which the expenses were incurred. These expenses must be approved by the Ministry of Finance before they can be claimed. More information can be found in Article 9A of the Income Tax Law (Law 118(I)/2002).

C. DEDUCTIONS FOR LIFE INSURANCE PREMIUMS, CONTRIBUTIONS TO SOCIAL INSURANCE, PENSION, PROVIDENT FUNDS, ETC.

- **The amounts declared should be rounded to the nearest euro (without cents).**

- **Total contributions to the various funds, including life insurance premiums, are capped at 1/5 of NET INCOME when the tax is calculated.**

- **The names of the funds and the corresponding codes are filled in automatically** using the icon 🔧 in column 2 (NAME OF FUND).

- **CODE 1:** APPROVED FUNDS AND PENSION PLANS (e.g. provident and pension plans)

- **CODE 2:** SOCIAL INSURANCE FUND (filled in automatically for self-employed persons who have retrieved information from the SIS)

- **CODE 3:** LIFE INSURANCE
  - Column 1: T.I.C. of Insurance Company
  - Column 2: Name of Insurance Company
  - Column 3: Select code 3
  - Column 4: Date of Insurance Policy
  - Column 5: Insurance on Life of (drop down list for selection)
    - The allowance for insurance on the life of a SPOUSE is only granted for insurance policies with a start date of no later than 31 December 2002.
    - If the Life Insurance is a joint policy between two spouses, select BOTH from the drop down list.
    - For joint insurance policies after 01/01/2003 , the allowance for Life Insurance is granted to the policyholder only.
  - Column 6: Sum insured **The allowance/premium for each Life Insurance is capped at 7% of the sum insured when the tax is calculated.**

- **CODE 4:** MEDICAL FUND AND PRIVATE MEDICAL INSURANCE **The total amount for the Medical Fund and Private Medical Insurance is capped at 1.5% of gross income (excluding non taxable income, e.g. interest, dividends, rents from a building under a preservation order, etc.) when the tax is calculated.**

  NB: The GHS contribution is NOT included in this part.

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

- **CODE 6:** OVERSEAS SOCIAL INSURANCE FUND For taxpayers residing/working in Cyprus Republic and contribute to a similar social insurance fund abroad.

PART 6 – DECLARATION

You must declare that all the information in the Return is complete and true by putting a tick (√) in the available box. For updating personal details, you need to declare date of birth and another element such as social security number or Cyprus id number or alien card number etc. **This is a mandatory field.**

GENERAL HEALTH SYSTEM (GHS) CONTRIBUTION CALCULATION

All income subject to the GHS contribution, is transferred here from the various parts of the return along with the relevant deductions/payments of GHS (see General Instructions for the GHS). Please note the following:

- GHS contribution is calculated automatically on a percentage of 2,65% for all periods though out the year and for self employed taxpayers on 4,00%.

- GHS contribution is payable on annual emoluments up to EUR 180 000. Incomes are added up, according to the priority sequence they appear on the CALCULATION of GHS contribution table, to capture the max of EUR 180 000.

- Refund Claims for a GHS contribution for income over EUR 180 000 must be submitted to the **Health Insurance Organisation** and NOT the Tax Dept.

- Refund Claims for a GHS contribution for total income up to EUR 180 000, are submitted to the Tax Department, provided that GHS contribution has been **overpaid to the Department**.

- The total amount in line 4 (GHS CONTRIBUTION) is granted as an allowance in the TAX CALCULATION.

- Amounts paid by self- assessment or withheld at source are entered automatically by the Collection System and can only be revised downwards.

- Since the self-assessment code (315) for payment of the GHS contribution on Employee Remuneration, Officers Earnings and Other Income is the same, any amounts payable can be paid under the same code.

- GHS debts are not offset between the various sources of income and each debt must be paid separately against its own payment code except for GHS contribution on interest, dividends and rents (codes 712,713,704 respectively) which are united into one debt with code payment 316.

TAX CALCULATION – SELF-ASSESSMENT

The Tax Calculation **is filled in automatically** even where there is no taxable income.

INCOME from the various parts of the Return which is subject to income tax is carried forward to this part and all the DEDUCTIONS based on the taxpayer's choices in the various parts of the Return are filled in automatically except for:

- LOSSES FROM PREVIOUS YEARS

- REDUCTION OF SALARIES - in the case of a widow's pension > EUR 19 500 taxed at a reduced rate and less than the taxable amount

- FOREIGN TAX - A **proportion** of foreign tax paid (gross rental income @75% @3%) is used to offset any defense tax from rental income and the remaining if any, must be carried forward to the income tax calculation (net rental income @tax on taxable income/net income).

- Note that the proportion of **foreign tax is calculated automatically** for defense purposes (gross rental income @75% @3%) and transferred automatically to the SDC calculation to offset the amount of SDC due to rental income. In the case of a remaining balance, you may transfer it against any income tax payable due to rental income in the TAX CALCULATION part.

SPECIAL DEFENCE CONTRIBUTION (SDC) CALCULATION

- The SDC Calculation is filled in automatically for income from rents, interest and dividends, apportioned equally in 2 semesters.

- SDC is not filled in for NON-tax residents.

- The refundable SDC on **interest deducted at source** applies to total gross income of up to EUR 12 000.

- SDC amounts withheld, declared in the various parts of the return, are carried forward to the SDC CALCULATION and must be adjusted so that they tally with the automatic apportionment of income from rents, interest and dividends to two semesters by the system. Otherwise, small differences will arise with refundable cents and it will not be possible to file the Return.

- Amounts paid by self- assessment are entered automatically by the Collections System and can only be revised downwards.

- If you have filled in a RETURN OF PRIVATE INDIVIDUAL FOR EXEMPTION AS NON-DOMICILED (form T.D.38), fill in the exemption years and then clear the income and deductions in the SDC Calculation.

- Foreign tax paid declared either in PART 4C RENTS, 4E INTEREST RECEIVABLE or 4F DIVIDENDS is calculated automatically to the max amount allowed and transferred against defence tax payable at the SCD CALCULATION. You may adjust it, as you wish, and for rental income you may even claim part of it or even the whole amount at the INCOME TAX CALCULATION.

IBAN/AWIFT CODE FOR TAX REFUNDS

The IBAN and SWIFT CODE are presented here as they appear at the Tax Dept's Registry **and cannot be updated here.**

To change your bank details (IBAN and SWIFT CODE) fill in form TD2008 and submit or send it by email to the dept's district tax offices.

OTHER INFORMATION

2022 TAX RATES

Income EUR	Rate	Tax for rate EUR	Cumulative tax EUR
0 - 19 500	0	0	0
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 over	35%		

PAYMENTS

Upon the final submission of the tax return , all taxes to be paid are automatically created and shown at the STATEMENT of due taxes of the **TAX PORTAL**

0300 INCOME TAX

0315 GHS on employee remuneration, earnings of an officer, other income

0313 GHS on profits of a self-employed

0314 GHS on pensions

0316 GHS on interest, dividends and rents

0604 SDC on rents

0612 SCD on interest

0613 SCD on dividends

Payments to the department are made online via the TAX PORTAL by following the next steps:

Enter the **TAX PORTAL** using the same codes you use for TaxisNet

- Go to the "Statement of due Amounts"
- Trace the tax due to be paid and click on the description of tax type.
- At the last column of the analysis find the PAYMENT REFERENCE NUMBER
- Next to the payment number choose the payment method you wish to use by activating the appropriate icon:
  1. on line banking or
  2. credit/debit card

For more info consult the Guide on "HOW TO PAY"