

TAX ALERT 7/2025

Provisional tax 2025

According to the Assessment and Collection of Taxes Law of Cyprus, all companies expecting taxable income for the 2025 tax year must declare their provisional tax to the Tax Authorities by 31 July 2025. Companies that do not anticipate taxable income for 2025 are not required to declare any provisional tax.

The corporate income tax rate in Cyprus is 12,5% and is calculated on the estimated taxable profits for the current year. Provisional tax can be paid in two equal instalments:

- **31 July of 2025** -1st instalment and
- **31 December 2025** -2nd instalment

Provisional tax settlement is made ONLY through the Tax Portal/online banking.

Companies have the right to revise their estimated taxable income at any time before **31 December 2025**. If the estimated taxable income is revised upwards, **5.5% interest** is applied to the difference between the revised amount payable and the initially declared amount from the due date of the first instalment.

If the estimated provisional tax paid in 2025 is **below 75%** of the actual tax liability based on audited financial statements, a **10% surcharge (penalty)** will be applied to the underestimated amount.

The final tax for the **2025 tax year must be settled by 1 August 2026**.

Each company is responsible for estimating its results and paying provisional tax if necessary.

The **Tax Department of PEK Ltd** is available to assist with estimating provisional taxable income and processing instalment payments.

We kindly request that you inform us of your expected taxable income for 2025 by **15 July 2025**.

If we do not receive a response from you by the above date, regarding assistance in calculating temporary tax, we will assume that your company will not have a taxable profit for 2025 and, therefore, no provisional tax needs to be declared.

For any further information, please contact our **Tax Department**.

Contact Persons – Tax Department

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PEK LTD
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