

### TAX ALERT 4/2026

#### Provisional tax 2026

According to the Assessment and Collection of Taxes Law of Cyprus, all companies expecting taxable income for the 2026 tax year must declare their provisional tax to the Tax Authorities by 31 July 2026. Companies that do not anticipate taxable income for 2026 are not required to declare any provisional tax.

As from year 2026 and onwards, the **corporate income tax rate in Cyprus is 15%** and is calculated on the estimated taxable profits for the current year. Provisional tax can be paid in two equal instalments:

- **31 July of 2026**-1st instalment and
- **31 December 2026**-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 2026**. If the estimated taxable income is revised upwards, 3.5% 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 2026 is **below 75%** of the actual tax liability based on audited financial statements, a **10% surcharge (penalty)** will be applied to the underestimated amount.

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 2026 by **15 July 2026**.

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, 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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