

**OBLIGATIONS OF A CYPRUS LIMITED COMPANY**

**Accounts and Audited Financial Statements**

* Maintain accounting records / bookkeeping procedure based on Cyprus Companies and Tax Law.

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* Prepare annual financial statements audited by an independent auditor. This is required by the Tax Laws even if a Company is of small size and it is exempt from audit by the Companies Law.

**Group Financial Statements**

* Prepare annual consolidated financial statements audited by an independent auditor if the Group is not of “Small size”. This is in harmony with E.U. Directives.

A group of “Small size” is determined by certain characteristics

**Corporation Tax -12.5% on the Company’s Taxable Income**

* Acquisition of a Tax Identification Code (T.I.C.)
* Submission of annual tax return (IR4) based on the audited financial statements for each year.
* Annual declaration that the Company’s shareholders are non-resident and they are not subject to deemed distribution tax on dividends
* Submission of tax exemption certificate in the case of payment of dividends
* Submission of annual analytical declaration of employees’ deductions

Payment of taxes

* Declaration and payment of provisional tax in 2instalments for the tax year (August & December)
* Payment of final tax of the year by 1 August of the next year without any penalties.

For more details go to Tax calendar

**VAT**

* VAT registration required by law if the Company:

makes taxable supplies or

provides zero-rated services to other E.U. businesses (also need to

register for VIES)

conducts business in the E.U. and receives services from other E.U. or

non-E.U. businesses

* Voluntary registration is also allowed.

**Social Insurance and Payee deductions**

* Registration with the Social insurance department as an employer if applicable
* Monthly payment of Social Contributions for Directors and other employees-If the company is registered.
* Monthly payment of PAYE for Directors and other employees-if the company is registered.

**Registrar of Companies**

* Submission of the company annual return for the year together with the annual audited accounts for the previous year (or the consolidated accounts if applicable).
* Obligation to pay annual levy tax for the amount of Euro 350. (For both active and non active companies).