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Dear client,

The returns for the temporary tax for 2012 have now been received or will be received shortly by Cyprus taxpayers. We would like to take this opportunity to remind you that these returns must be completed and submitted to the Inland Revenue Department on or before 1st of August 2012 for all companies which expect to have taxable income for 2012.

The temporary tax computed in accordance with the return is payable in three equal instalments, on 1st of August 2012, 30th of September 2012 and 31st of December 2012. Non-payment on the due dates entails payment of interest at 5% per annum. In cases where there is no taxable income anticipated for the year 2012, or there is taxable income but, due to tax losses brought forward from previous years there is no tax payable, there is no obligation for submission of the return to the Inland Revenue Department.

If the temporary income declared provisionally in 2012 is less than 75% of the final taxable income as determined by the audited financial statements of the year 2012, then any balance of tax payable is subject to a 10% surcharge.

Overpayment of temporary tax is refunded, after the examination and acceptance of the company's final tax return for the year 2012, together with interest at the rate of 5% per annum as from 1st of January 2013.

Please note that the declaration can be revised anytime up to 31 December 2012. The revised tax will be apportioned over the three installments thus attracting interest on past due installments. A revision can not result in the reimbursement of provisional tax already paid for the year.

You are therefore requested to make the necessary arrangements for the filing of the returns and the payment of the taxes calculated at the rate of 10% of the estimated taxable income either through our office, by sending us the respective payment not later than 20th of July 2012, or by yourselves.

For further assistance or any other enquiries please do not hesitate to contact our office.

With kind regards,

Cleri Evagorou
MOORE STEPHENS (LIMASSOL) LTD