

Tax exemptions for loan restructuring implemented



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Corporate Tax, Cyprus

Following the extension of tax relief for the disposal of immovable property for the restructuring non-performing loans introduced by Laws 96(I)/2018, 98(I)/2018, 99(I)/2018 and 100(I)/2018, the Tax Department has announced that its Form 415 (Disposal of Property due to Loan Restructuring) has been revised and that a new Form 415B (Immovable Property Declaration due to Loan Restructuring – Supplementary Certificate) has been published. Both are available on the Tax Department's website.

The recent amendments have extended the tax exemptions available for loan restructurings regarding sales of immovable property to non-connected persons for the repayment of loans which were not being serviced as of 31 December 2015, as defined in EU Executive Regulation 2015/227.

The definition of 'connected persons' contained in Article 33 of the Income Tax Law will be used to decide whether a disposal is to a non-connected person.

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