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Abolition of Annual Levy in Cyprus

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Introduction

Following the publication of the Companies (Amendment) Law 2024, N.25(I)/2024, in the official gazette on the 15th of March 2024, the annual levy of €350 imposed on all companies registered in Cyprus has been abolished.

Key Points of the Abolition

- The abolition of the €350 annual levy is effective from 2024 onwards.
- Companies that have already paid the annual levy for 2024 will be refunded accordingly, as follows:
 1. For payments made through JCC, the amount will be directly refunded to the card used for payment and no further action is needed.
 2. For payments made to the Department of Registrar of Companies and Intellectual Property, the applicant's bank account will be refunded directly upon submission to the Registrar the: (i) KE1 form, (ii) payment proof, (iii) the FIMAS authorisation form, accompanied with a photocopy of the bank account statement to be credited.
- Companies incorporated in or before 2023 that have not yet paid the Annual Levy for any year from 2011 to 2023 will have to proceed with its payment, including applicable penalties.



Steps Forward

The abolishment of the annual levy constitutes a component of a comprehensive set of economic measures undertaken by the Republic of Cyprus to bolster entrepreneurship and investment.

By reducing operational expenses, the Republic of Cyprus aims to encourage domestic and foreign legal entities to establish and expand their activities within the Republic of Cyprus.

This is viewed as a positive development, anticipated to contribute to ease the financial burden on companies operating in Cyprus.

How we can assist?

Please do not hesitate to contact us at info@pelaghiaslaw.com should you require any assistance or further information.