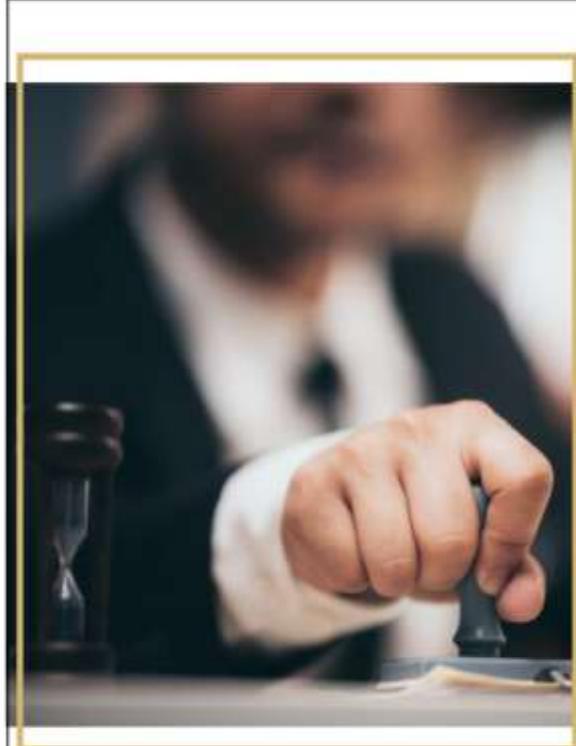


Abolition of the Stamp Duty Law as of 01/01/2026



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The Stamp Duty Law (Law No. 19/1963) historically constituted a mechanism for the imposition of stamp duty on a wide range of documents in Cyprus. By virtue of Law No. 239(I)/2025, the Stamp Duty Laws were abolished as of 1 January 2026, with the result that new documents executed from 2026 onwards are no longer subject to stamp duty, while documents signed up to 31 December 2025 continue to be governed by the previous legal framework, pursuant to the applicable transitional provisions.

Stamp duty was an indirect tax imposed on specific documents, enabling them to be regarded as fully valid and admissible for use before courts or public authorities. This obligation was regulated by the Stamp Duty Law (Law No. 19/1963), which underwent multiple amendments up to 2025. Payment of stamp duty was effected either through physical stamps or via electronic means, and failure to comply within the prescribed timeframes resulted in the imposition of penalties. For this reason, proper and timely stamping constituted a substantive prerequisite for the smooth use of documents in both private transactions and legal proceedings.

A significant change occurred with the enactment of the Stamp Duty (Abolition) Law of 2025, pursuant to which the Stamp Duty Laws were repealed with effect from 1 January 2026. From that date onwards, documents and contracts executed or signed are no longer

subject to stamp duty. Nevertheless, documents that were executed or signed up to 31 December 2025 remain subject to the provisions of the previous legislative framework, even where stamp duty had not been paid by that date. This transitional arrangement renders it necessary to review older agreements in order to determine whether any outstanding stamp duty obligations subsist. The abolition of stamp duty represents an important step towards simplifying administrative procedures and reducing transactional costs for both individuals and businesses. At the same time, it enhances flexibility in contractual arrangements and aligns the Cypriot legal system with modern practices aimed at facilitating business activity. Notwithstanding the abolition of stamp duty for new contracts, a proper understanding of the former regime remains important, particularly in cases involving older documents that continue to produce legal effects.

It is important to note, however, that the abolition of stamp duty has not resulted in the abolition of court fees. The historical use of stamps as a means of paying court fees has caused a degree of confusion within the courts. As matters currently stand, court documents are still required to bear stamps as evidence of payment of court fees, which will continue to be used until existing stocks are exhausted. Court fees arise under the Court Fees Procedural Regulation (Cap. 546/1953) and relate to the fees payable for the use of judicial procedures, which were traditionally collected through stamp duty. In the meantime, a new method for the payment of court fees is being explored. Consequently, parties appearing before the courts should be aware that they will continue to be required to pay the prescribed fees applicable to the processing of their cases.

In conclusion, the abolition of stamp duty marks a broader effort to simplify procedures and modernise the legal framework. Despite these changes, certain obligations remain in force, making proper awareness and adjustment essential.

