
ASSESSMENT AND COLLECTION OF TAXES
(AMENDMENT) ORDINANCE 2015

CONTENTS

1. Short title
2. Commencement
3. Amendments to principal Ordinance
4. Amendment to section 4 (Commissioner, officials or official secrecy)
5. Amendment to section 5 (returns)
6. Amendment to section 6 (statements by employers and other persons)
7. Amendment to section 13 (Commissioner to make assessments)
8. Amendment to section 24 (taxpayer's temporary assessment)
9. Amendment to section 30 (books of account, etc to be kept)
10. Amendment to section 35 (repayment of tax)
11. Amendment to section 38 (time-limits for payment of tax)
12. Amendment to section 49 (false statements etc)
13. Insertion of section 51A

ASSESSMENT AND COLLECTION OF TAXES
(AMENDMENT) ORDINANCE 2015

An Ordinance to amend the Assessment and Collection of Taxes Ordinance 2003

M. Wigston
ADMINISTRATOR

27 March 2015

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

Short title

1. This Ordinance may be cited as the Assessment and Collection of Taxes (Amendment) Ordinance 2015.

Commencement

2. This Ordinance comes into force on the day after publication in the Gazette.

Amendments to principal Ordinance

3. The Assessment and Collection of Taxes Ordinance 2003(a) is amended in accordance with sections 4 to 13.

Amendment to section 4 (Commissioner, officials or official secrecy)

4.—(1) Section 4 is amended as follows.

(2) In subsection (4), after “affording double taxation relief in relation to any tax” insert “or exchanging information relating to taxation”.

(a) Ordinance 30/2003, as amended by Ordinance 25/2012.

Amendment to section 5 (returns)

- 5.—(1) Section 5 is amended as follows.
- (2) Omit subsection (1A)(c).
- (3) After subsection (1A)(c) so omitted insert—
- “(d) A company which is incorporated under the law of the Areas, but which does not have a place of business on the island of Cyprus must deliver to the Commissioner a statement of income for a tax year on or before the 31 December of the year following the tax year.”.
- (4) In subsections (4)(b) and (5), for “7” substitute “6”.
- (5) After subsection (5) add—
- “(6) Without limit to the generality of subsection (5), the person or the person’s agent must retain documents which—
- (a) support all transactions, including, but not limited, to contracts for sale or purchase, invoices and records of receipts and expenditure;
 - (b) determine with reasonable accuracy the financial status of the person in respect of which the tax return relates;
 - (c) are required for the preparation of statements required under this Ordinance or the Companies Ordinance 2007(a);
 - (d) relate to the assets and liabilities of the person in respect of which the tax return relates.”.

Amendment to section 6 (statements by employers and other persons)

- 6.—(1) Section 6 is amended as follows.
- (2) After subsection (1) insert—
- “(1A) The statement required under subsection (1) may be delivered using computerised or other electronic means approved by the Commissioner, and—
- (a) the Commissioner may provide a person with a security password to be used instead of the signature that the statement may have had to bear if not so delivered;
 - (b) the deadline for submitting a statement by such means is 3 months after the date prescribed in subsection (1).”.

Amendment to section 13 (Commissioner to make assessments)

- 7.—(1) Section 13 is amended as follows.
- (2) Omit subsection (1A)(c).
- (3) After subsection (1A)(c) so omitted insert—
- “(d) in all other cases, the person is to pay any tax due within the period of 2 months starting from the date for submitting the tax return specified in section 5(1).”.

Amendment to section 24 (taxpayer’s temporary assessment)

- 8.—(1) Section 24 is amended as follows.
- (2) For “1st August” substitute “31 July”.

Amendment to section 30 (books of account, etc to be kept)

- 9.—(1) Section 30 is amended as follows.

(a) Ordinance 2/2007.

- (2) In subsection (1), after “5(1)(a),” insert “(c),”.
- (3) In subsections (3) and (4), for “7” substitute “6”.

Amendment to section 35 (repayment of tax)

- 10.—(1) Section 35 is amended as follows.
- (2) Omit the proviso in subsection (1).
- (3) After subsection (1) insert—
 - “(1A) Despite subsection (1)—
 - (a) where a person has not submitted a tax return within the period specified in this Ordinance, interest on any excess tax paid is payable starting with the date 3 months after the tax return was submitted;
 - (b) where subsection 13(1A)(d) applies to the person, interest on any excess tax paid is payable starting with the date 2 months after the tax return was submitted.”.

Amendment to section 38 (time-limits for payment of tax)

- 11.—(1) Section 38 is amended as follows.
- (2) In subsection (1)(c), for “1st August” substitute “31 July”.
- (3) After subsection (1A)(b) insert—
 - “(c) where a person is required to deliver a tax return by 30 April of the year (the “following year”) following the year to which the return relates, tax is payable on or before 30 June of the following year.”.

Amendment to section 49 (false statements etc)

- 12.—(1) Section 49 is amended as follows.
- (2) After subsection (3) insert—
 - “(3A) If an offence under subsection (1) or (2) is committed by a body corporate and is proved to have been committed with the consent or connivance of, or to be attributable to neglect on the part of, a director, manager, secretary or other similar officer of the body or a person purporting to act in such a capacity—
 - (a) that person (as well as the body corporate) commits the offence;
 - (b) proceedings may be brought against that person whether or not proceedings are also brought against the body corporate.”.

Insertion of section 51A

- 13. After section 51 insert the following section—

“Offence: delay in payment or fraudulent evasion of tax

- 51A.—(1) This section applies to taxes imposed by—
- (a) the Income Tax Ordinance 2003(a);
- (b) the Extraordinary Contribution Ordinance 2012(b); and
- (c) any other Ordinance.

(a) Ordinance 29/2003, as amended by Ordinances 19/2011, 13/2012, 31/2013 and 17/2014.
(b) Ordinance 7/2012, as amended by Ordinance 21/2013.

(2) Subject to subsection (3), a person commits an offence if the person delays payment of or fraudulently evades tax.

(3) Where a person makes an objection to an assessment in accordance with section 20 (objections to assessments) of this Ordinance and an agreement is reached as the amount of tax due under section 20(4) (the “agreement”) or a determination made under section 20(5) (the “determination”), the person has 3 months from the date of the agreement or the determination to pay the tax.

(4) If the person does not pay the tax due within the period specified in subsection (3) the person commits an offence.

(5) An individual convicted of an offence under subsection (2) or (4) is liable on conviction to a fine not exceeding €5,000 or a term of imprisonment not exceeding 2 years, or to both.

(6) A body corporate convicted of an offence under subsection (2) or (4) is liable on conviction to a fine not exceeding €5,000.

(7) If an offence under subsection (2) or (4) is committed by a body corporate and is proved to have been committed with the consent or connivance of, or to be attributable to neglect on the part of, a director, manager, secretary or other similar officer of the body or a person purporting to act in such a capacity—

(a) that person (as well as the body corporate) commits the offence; and

(b) proceedings may be brought against that person whether or not proceedings are also brought against the body corporate.

(8) An officer of a body corporate convicted of an offence under subsection (7) is liable to,—

(a) where the amount of tax due is €1,700 or less, a fine of up to 20% of the amount due;

(b) where the amount of tax due is more than €1,700, a fine of up to 20% of the amount due and imprisonment for a term not exceeding 2 years, or to both.

(9) In addition to the penalties specified in this section, the person is liable to pay the tax due.

(10) The court may order that the tax due is paid with interest determined in accordance with a judgment debt, and the order may be enforced as a judgment debt under the Civil Procedure Ordinance(a).”.

(a) Cap 6, Statute Laws of Cyprus revised edition 1959, as applied in the Areas by the Sovereign Base Areas of Akrotiri and Dhekelia Order in Council 1960 (SI 1960/1369, United Kingdom). Schedule 2 to the Interpretation Ordinance 2012 (Ordinance 8/2012) provides for the interpretation of such legislation.

EXPLANATORY NOTE

(This note is not part of the Ordinance)

1. This explanatory note relates to the Assessment and Collection of Taxes (Amendment) Ordinance 2015 (the “Ordinance”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.
2. The Ordinance amends the Assessment and Collection of Taxes Ordinance 2003 (the “principal Ordinance”) to reflect relevant amendments made to the corresponding Republican law by Laws 197(1)/2012, 198(1)/2012, 91(I)/2013, 78(I)/2014 and 79(I)/2014. Law 79(I)/2014 amends section 51A (criminal liability) of the corresponding Republican law which was inserted by Law 118(I)/2002, but not replicated in the principal Ordinance. Section 13 of the Ordinance inserts a new section 51A in the principal Ordinance.
3. The principal changes are as follows:
 - increased powers for the Commissioner to exchange information relating to taxation (amendments to section 4 of the principal Ordinance);
 - repeal of the provision allowing an employer to deliver a tax return on behalf of an employee (omission of section 5(1A)(c) and 13(1A)(c) of the principal Ordinance);
 - the length of time that documents relating to a tax return are required to be kept reduced from 7 years to 6 years and further details specified of the type of documents which are required to be retained (amendments to sections 5 and 30 of the principal Ordinance);
 - provision to enable employers to provide statements about employees by electronic means and the use of a security password instead of a signature (amendments to section 6 of the principal Ordinance);
 - revised provision for the Commissioner to make assessments, deadlines for paying tax and interest payable on repayment of overpaid tax (new subsections 13(1A)(d) and 35(1A)(b) of the principal Ordinance);
 - temporary assessments to be delivered by 31 July, not 1 August and first instalment of tax payable by 31 July (amendments to sections 24 and 38 of the principal Ordinance);
 - provision for an officer of a body corporate to be prosecuted for making false statements in relation to tax, as well as the body corporate itself, and new offence of delay in payment or fraudulent evasion of tax (amendment to section 49 of the principal Ordinance and new section 51A).
4. The functions of the Commissioner in the assessment and collection of taxes is delegated to the Republic under section 55A of the principal Ordinance.

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