

Reduction

of Special Contribution for Defence Rate

The Special Contribution for Defence rate on the interest income received by Cyprus tax resident domiciled individuals from corporate bonds has been reduced from 30% to 3%.

The above amendment to the Special Contribution for Defence Law ("The Law") was published in the Official Government Gazette on 26 June 2019.

According to the amendment of the Law, effective on the day, the tax rate applicable on passive interest income received by Cyprus tax resident domiciled individuals from corporate bonds is reduced from 30% to 3%.

The reduced rate is now in line with the SDC rate applicable on interest earned from Government bonds.

Cyprus tax resident non-domiciled individuals are not affected by the above change.



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