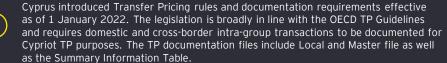


**Action** No. **Fact** 

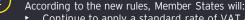
#### Transfer Pricing (TP)



Develop a thorough understanding of the new TP documentation rules and assessment of the impact of the new transfer pricing requirement for your group.



On 05 April 2022, the European Council adopted Council Directive (EU) 2022/542 which introduces reforms to currently applicable VAT rates. Annex III of the EU VAT Directive indicating the goods and services that can be subject to reduced VAT rates was updated to include among others digital services, goods/equipment for the protection of public health, items that have a positive impact on EU's climate change and diverse products and services deemed appropriate and useful by Member states which are driven by the general interest of public policy objectives.



- Continue to apply a standard rate of VAT above 15%
- Be able to apply two reduced rates as low as 5% to goods and services included in the Annex III of the Directive
- Be able to apply one reduced rate lower than 5% and one exemption ('zero rate') to a maximum of seven categories on the list considered to cover basic needs, such as foodstuffs, medicines, pharmaceutical products

Businesses should monitor any legislative amendments on VAT rates as they may have a great impact on their business affairs/VAT Compliance obligations.





Jul Sep Aug

Oct



No.	Fact	Action	
8	Country-by-Country reporting (CbCR)  The deadline for submission for local Country-by-Country reporting (CbCR) under the so-called secondary filing mechanism (including Equivalent reporting) for the year 2020 was extended to 31 January 2022 (from 31 December 2021).	Cypriot entities with CbCR requirement to review compliance with the upcoming deadline.	•
9	Register of Ultimate Beneficial Owners	Businesses should ensure compliance with the new filing obligations	
	The Registrar of Companies in Cyprus has adopted the new legislation regarding the Register of UBO's. All Cyprus Companies have the obligation to comply with this regulation and to report the Ultimate Beneficial Owners to the Registrar of Companies. The deadline for the initial reporting was extended to 31 July 2022.	by July 2022.	•
(10)	New requirements on companies established as VCIC	Entities established as Variable Capital Investment Companies must	
	The Companies Law has introduced amendments relating to entities as VCIC relating to their Memorandum and Articles of Association, share capital (issuance/ conversion), redemption of shares and preparation of financial statements.	submit a special resolution to the RoC by 05 November 2022, with which the VCIC amends its Memorandum and Articles of Association to be compliant with the provisions of the new Part XA of the Companies Law.	•
	E-commerce VAT Rules	Entities with digital offerings should evaluate VAT implications	
11)	The new VAT rules for e-commerce in B2C regime entered into force on 1 July 2021 across all EU member states <u>See more</u> . In Cyprus, the amendments were introduced in the local legislation on 6 December 2021 with a retrospective effect.	and ensure compliance with e-commerce rules in place as applicable from July 2021.	•



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