



---

## TEMPORARY TAX ASSESSMENT FOR THE YEAR 2012

---

### 1. Obligation to submit estimation of chargeable income

According to article 24 of the Assessment and Collection of Taxes Law (4/1978) as amended, self-employed persons and companies must submit their temporary tax assessments on/or before 1<sup>st</sup> August in order to pay taxes during the year in 3 equal instalments. The first instalment of the temporary tax is due on 1<sup>st</sup> August, the second on 30<sup>th</sup> September and the third on 31<sup>st</sup> December. The temporary assessment may be revised at any time before the end of the current year, i.e. before 31<sup>st</sup> December. If the revised tax is higher than the tax declared on the original temporary assessment, interest on the balance of tax payable is calculated from the due date of payment (1<sup>st</sup> August, 30<sup>th</sup> September).

### 2. Effects of understating / overstating chargeable income

If the object of the temporary tax declared is smaller than 3/4 (75%) of the object of the final tax, then the final tax payable shall be increased by an amount equal to 10% of the difference between the amount of the final tax and the amount of the temporary tax payable or paid.

The refund for any overpayment of temporary tax by reason of high computation is received with interest as calculated in accordance with the applicable public interest rate (currently at 5% p.a.) and based on the number of completed months from 1<sup>st</sup> January of the year following the year of assessment. The payment of tax plus any additional tax by reason of low computation or no computation, is similarly with interest but is based on the number of completed months from 1<sup>st</sup> August of the year of assessment.

### 3. Requirement

Based on the above, please inform us if your Company will make profits during the year **2012** and the amount of the forecasted profits. **For this purpose you are required to complete and return to us "Appendix 1 - Computation of Temporary Tax"**.

Additionally, inform us of the activities which give rise to these profits, like:

- Trading in securities and the types of securities (shares, bonds, promissory notes, currencies, etc)
- Interest income and breakdown from where it arises (bonds, promissory notes, fixed deposits, current accounts, etc)
- Trading in products
- Provision of services

If the activities which give rise to the forecasted profits are taxable, then we would advise that taxes are paid in advance (in 3 instalments) as described above so as to avoid interest and penalties when taxes are paid later on.

The deadline for submission of the Temporary assessment form to the Tax Authorities and the payment of the first instalment is by 31 August 2012 (without the imposition of interest), so please try and provide us with relevant information and transfer funds to our below bank account by **6 August 2012**, so as to give us adequate time to prepare and submit the relevant forms and make the payment for the first instalment of tax.

OFFCY CONSULTANTS LTD  
Marfin Popular Bank Public Company Ltd  
Account Number: 070-11-020136  
Makarios Avenue Branch (070)  
Nicosia, Cyprus  
IBAN: CY42 0030 0070 0000 0070 1102 0136  
BIC: LIKICY2N

**IT IS IMPORTANT THAT YOU STATE THE FOLLOWING DETAILS ON THE TRANSFER: PROVISIONAL TAX - 2012 (.....LTD)**



## APPENDIX 1 - COMPUTATION OF TEMPORARY TAX

Yearly estimated chargeable income (€)	Income tax rate	Estimated tax payable (€)
--	-----------------	---------------------------

..... @10% .....



Instalments	Due Date	Temporary tax (€)
1 <sup>st</sup> instalment	31/08/2012	.....
2 <sup>nd</sup> instalment	30/09/2012	.....
3 <sup>rd</sup> instalment	31/12/2012	.....