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# Extension of the application of the debt restructuring provisions to 31 December 2022

## In brief

On 3 December 2021 and 6 December 2021 amendments to the provisions of seven Cyprus tax laws were published in the Government Gazette for extending the application of the debt restructuring provisions to 31 December 2022.

## In detail

On 3 December 2021 and 6 December 2021 amendments to the provisions of seven Cyprus tax laws were published in the Government Gazette for extending the application of the debt restructuring provisions to 31 December 2022.

The debt restructuring provisions allow for certain tax reliefs for transactions which involve the transfer of Cyprus immovable property by a borrower (the definition of “borrower” was extended in previous law amendments to include any related person to the primary borrower) and/or debtor and/or guarantor to a qualified lender.

The relevant tax reliefs entered into force on 31 December 2015 for an initial period of two years to 31 December 2017, and had already been extended three times, with the third extension being to 31 December 2021. The current fourth extension is to 31 December 2022.

- The Income Tax Law;
- The Special Defence Contribution Law;
- The Capital Gains Tax Law;
- The Stamp Duty Law;
- The Collection of Taxes Law;
- The Department of Lands and Surveys (Fees and Charges) Law;
- The Value Added Tax Law.

## The takeaway

The said extension is expected to further facilitate restructurings of non-performing debts.

## Let's Talk

For a deeper discussion of how this issue might affect your business, please contact:

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