

Cyprus enacts DAC8's reporting requirements for crypto and other amendments to the DAC

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In brief

On 27 March 2026 the Official Gazette of the Republic of Cyprus published legislation transposing into Cyprus law the seventh amendment to the EU Directive on administrative cooperation in the field of taxation (**DAC8**).

On 2 April and 7 April 2026 the Cyprus Tax Authorities (**CTA**) issued three related announcements ([Link 1](#), [Link 2](#), [Link 3](#)).

In line with DAC8, the Cyprus DAC8 transposing legislation (**the legislation**):

- extends the scope of automatic exchange of information within the EU to information that will have to be reported by crypto-asset service providers (**CASPs**) on transactions (transfer or exchange) of reportable crypto assets; the provisions of the legislation, derived from DAC8, on due diligence procedures, reporting requirements, and other rules applicable to CASPs largely reflect the OECD's Crypto-Asset Reporting Framework (**CARF**) and a set of amendments to the OECD's Common Reporting Standard (**CRS**);
- includes provisions on automatic exchange within the EU of certain advance cross-border rulings concerning individuals;
- includes a number of other amendments to the DAC.

Most provisions are effective as from 1 January 2026, with 30 June 2027 being the first reporting deadline for CASPs for 2026 reportable information on reportable crypto assets.

In detail

Reportable crypto assets

The legislation applies to:

- EU-regulated CASPs with relevant nexus to Cyprus; and
- non-EU-regulated CASPs that have EU-nexus customers/users; these CASPs are required to register in, and comply with the DAC8 rules of, a single EU Member State (**MS**) of their choice (so the single EU MS chosen by the CASP could be Cyprus).

Under the legislation, for EU-nexus customers/users (including Cyprus tax residents) under both above, reportable information on reportable crypto assets is to be submitted by the CASPs to the CTA unless the equivalent information is reported to another EU MS or to a non-EU jurisdiction that has in effect, with all EU MSs, a qualifying competent authority agreement to exchange the information.

The definition of reportable crypto assets for this purpose is very broad (it is based on the definition of crypto assets in EU Regulation 2023/1114) and includes crypto assets that have been issued in a decentralised manner, as well as stablecoins, and certain non-fungible tokens (NFTs).

Fines of up to €10.000 per offence are introduced for offences related to these provisions.

PwC Observation: Reporting CASPs will have a significant amount of work to do as they will have to collect, verify and report a range of information on their EU-nexus customers/users and on their relevant transactions.

Advance cross-border rulings to individuals (extending DAC3)

The automatic exchange within the EU of advance cross-border rulings is extended by the legislation to rulings relating to individuals where the ruling:

- meets a transaction amount threshold; the threshold is met where the amount of the transaction exceeds EUR 1,5m (or the equivalent amount in any other currency), if such amount is referred to in the advance cross-border ruling;

or

- determines whether the individual is resident or not; however, an exclusion is provided for rulings on taxation at source with regard to non-residents' income from employment, directors' fees, and pensions.

This applies to rulings issued, amended or renewed after 1 January 2026.

Other provisions

The legislation also incorporates DAC8's amendments to other parts of the DAC:

- the legislation adds income derived from Cyprus from non-custodial dividends to the categories of income under DAC1 that may be subject to automatic exchange of information from the CTA to the competent authority of the EU MS where the recipient of the income is resident; this does not apply to dividends that are exempt from corporate income tax pursuant to Articles 4, 5 or 6 of the EU Parent-Subsidiary Directive;
- the legislation seeks to improve the rules on reporting and exchange of the Tax Identification Numbers (TINs) of taxpayers;
- the legislation clarifies that information communicated to Cyprus from other EU MSs under the DAC can also be used for the assessment, administration and enforcement of customs duties, for anti-money laundering, for combating the financing of terrorism and potentially for other serious issues (in addition to the use for Cyprus direct and indirect taxes, including VAT);
- the CTA will have to ensure that it uses the information acquired through the DAC reporting or exchange of information;
- the CTA's minimum retention period for information obtained via exchange of information under the DAC should not be longer than necessary, but not shorter than five years from its date of receipt;
- reporting platform operators (as provided for in DAC7) have certain reporting requirements amended, where they have used an identification service provided by an EU MS or the EU;
- DAC6 related amendments
 - the legislation introduces the new defined term "client", referring to any intermediary, or relevant taxpayer who receives services from an intermediary who is subject to legal professional privilege; these services include: advice, assistance, or guidance related to reportable cross-border arrangements;
 - intermediaries that are exempt from a DAC6 reporting obligation on account of legal professional privilege will not have to notify other intermediaries but will still have to notify within 10 days their client (if the client is an intermediary, otherwise, in the event that there is no such intermediary, the relevant taxpayer must be notified) of their reporting obligations;
 - the information to be reported from a DAC6 angle now specifically excludes information relating to intermediaries that are exempt from reporting due to legal professional privilege.

The takeaway

CASPs should act now to ensure that they comply with the due diligence and reporting requirements of the legislation.

Businesses and individuals should also be aware of the other changes that this legislation brings to other areas of the DAC and act where appropriate.

Let's Talk

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