

# THE CYPRUS TAX REFORM 2026 NEWSLETTER

## Summary of Main Amendments:

Entry into force: 1 January 2026

- 1 Corporate tax rate increased from 12.5% to 15%
- 2 Carry forward of tax losses extended from 5 to 7 years
- 3 Revised individual income tax rates. No tax liability until €22,000
- 4 Super reduction of 20% on R&D expenses, prolonged until 2030
- 5 Increased local file thresholds for transfer pricing on financing (€10m), goods sales (€5m) and other transactions (€2.5m)
- 6 Abolition of stamp duty - Crypto Asset gains, taxed at flat rate of 8%
- 7 Rental income now solely subject to Income Tax, not subject to Special Defense Tax. Rental payments to be made only via electronic means as from 1 July 2026
- 8 Directors are liable under tax laws for actions/omissions during their term of office, regardless of subsequent resignation.

For a more detailed discussion, please contact Michail Kamperis or George Malietzis

