



Changes to the process of seizing funds against tax obligations

The Cyprus Tax Department recently published an amendment to the process that allows for the seizing of funds held in banking institutions by taxable persons who are in default with their Value Added Tax (VAT) obligations.

Notification 320/2016 published in the Cyprus Gazette on 4 November 2016 amends notification 473/2014 which relates to the process of how the Commissioner of Taxation may request for banking institutions in Cyprus to seize funds of taxable persons against their VAT obligations to the Tax Department.

Among other things, Notification 320/2016 addresses the following:

- That the notification sent to the banking institutions records the VAT registration number of the taxable person and includes specific identification details for foreign (non-Cypriot) physical persons.
- It regulates how the funds are seized against accounts linked to an ID card for Cypriots or passport number and country of origin for non-Cypriot persons or the registration number for legal persons.
- In the case where the taxable person keeps more than one account with the institution in various currencies, priority is given to accounts denominated in Euro.

The notification also regulates the process of how the Tax Department communicates with the banking institutions and vice versa and the time limits for objections.

NOTE

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