Tax Alert - Update on Submission of Summary Information Table of Controlled Transactions for 2024

Background

The SIT (Summary Information Table) is a mandatory Return that must be submitted to the Tax Department annually. It provides an overview of the taxpayer's transactions with related parties over a tax year, including identity and tax residency details of the counterparties, the types of intercompany transactions conducted (e.g., services, intangibles, financial transactions, sale of goods and other), and the amounts involved in each transaction category.

Cypriot taxpayers are required to file the SIT by the submission deadline of the tax return for the specific fiscal year, that is, normally, by 15 months following the end of the relevant tax year.

In respect of the year 2024, for entities that have an obligation to submit a SIT, the deadline is 30 November 2026.

Failure to submit the SIT will result in a penalty of EUR 500.

Apart from the SIT, taxpayers must be able to substantiate all related party or intercompany transactions with appropriate transfer pricing documentation depending on the arm's length value of the category of transactions. Cypriot taxpayers involved in controlled transactions falling within the ambit of Article 33 of the Income Tax Law with an aggregate arm's length value exceeding the stated annual thresholds in any of the following five transaction categories, as defined in the SIT, are required to prepare a Cyprus local file:

- Sale/purchase of goods;
- Provision/receipt of services;
- Financing transactions;
- Receipt/payment of IP licensing/royalties;
- Other

Based on the announcement issued by the Tax Department, the thresholds for the tax year 2024, are as follows:

- €5.000.000 for controlled transactions falling under the category “Financing".
- €1.000.000 for all other categories of connected transactions (i.e., “Goods,” “Services,” “Royalties and Other Intangibles” and “Other”).

Taxpayers with controlled transactions that do not exceed the stated thresholds and are thus exempted from the obligation to be documented in a Cyprus Local File, must adhere to Simplified Transfer Pricing documentation requirements as provided for in the tax circular no. 6/2023 issued on 6 July 2023.

Submission Requirements Effective from 27 May 2024

Starting from 27 May 2024, the SIT must be submitted exclusively through the Tax For All (TFA) Taxpayer Portal.

How can AsusPlus help

AsusPlus is ready to provide any assistance or further information on SIT submission and/or the preparation of a Local File or Simplified Transfer Pricing Documentation File.

Please feel free to contact our office. We are here to help you navigate the Transfer Pricing requirements.