
IMMOVABLE PROPERTY (TAXATION)
(AMENDMENT) ORDINANCE 2014

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**IMMOVABLE PROPERTY (TAXATION)
(AMENDMENT) ORDINANCE 2014**

An Ordinance to amend the Immovable Property (Taxation) Ordinance 1980

P.J. Rushbrook
DEPUTY ADMINISTRATOR

16 October 2014

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

Short title

1. This Ordinance may be cited as the Immovable Property (Taxation) (Amendment) Ordinance 2014.

Commencement

2.—(1) This Ordinance is deemed to have come into force on 1 January 2014.

(2) The amendment to section 17(1) of the principal Ordinance made by section 12 of this Ordinance is deemed to have effect from 1 January 2007.

Interpretation

3. In this Ordinance, the “principal Ordinance” means the Immovable Property (Taxation) Ordinance 1980(a).

(a) Ordinance 17/1980, amended by Ordinances 5/1981, 10/1984, 9/1992, 8/1995, 22/2013 and 30/2013.

Amendments to principal Ordinance

4. The principal Ordinance is amended in accordance with sections 5 to 13.

Amendment to section 2 (interpretation)

5.—(1) Section 2 is amended as follows.

(2) In the definition of “immovable property” omit paragraph (f) and substitute—

“(f) land formed by reclamation from the sea, including any rights or benefits arising from that land;

(g) land which forms part of a marina in accordance with the Republic’s Law 4 of 1977, as amended^(a), (Regulation of Marinas Law) which is shown as land on plans held by the Republic’s Department of Land and Surveys;”.

(3) At the end of the definition of “owner” add after “registered or not “, and includes a person deemed to be an owner in accordance with section 4”.

Amendment to section 4 (obligations of owner)

6.—(1) Section 4 is amended as follows.

(2) Renumber the existing section 4 as subsection (1).

(3) Add after the renumbered subsection (1)—

“(2) For the purpose of this Ordinance, where immovable property is registered in the name of more than one person each person (P) is deemed to be the owner of that proportion of the immovable property which represents P’s interest.

(3) The purchaser of a building is deemed to be the owner for the purpose of this Ordinance where—

(a) a building has been constructed on immovable property;

(b) the building has been sold by the owner (O) of the immovable property to another person (A), but the deeds of ownership have not been transferred to A; and

(c) O submits a report to the Fiscal Officer in accordance with subsection (4).

(4) The report must be submitted to the Fiscal Officer on or before 31 March of the year following the sale to A (“the relevant date”) and must include—

(a) the contract of sale which must include a date;

(b) a description of the building;

(c) the name and address of A;

(d) the date the construction of the building was completed;

(e) the date that A took possession of the building;

(f) the percentage of the total area of the immovable property used by the building.

(5) If O does not submit a report in accordance with subsection (4) (including where O submits the report after the relevant date), O is deemed to be the owner of the building for the purpose of this Ordinance, (and for the avoidance of doubt is liable to pay tax in accordance with subsection (1)).

(6) Subsection (3) does not apply where—

(a) the delay in the transfer of deeds of ownership is due to O; or

(b) O is a body corporate which is insolvent.

(7) The Fiscal Officer may determine the format for a report under subsection (4), and may approve a report sent in electronic form.

(a) Law 4 of 1977 has been amended by Laws 67 of 1979, 9(I)/1999 and 155(I)/2002.

(8) In this section, building includes a “unit” as defined in section 38A of the Immovable Property (Tenure, Registration and Valuation) Ordinance (a).”

Amendment to section 5 (Fiscal Officer to assess tax)

7.—(1) Section 5 is amended as follows.

(2) For subsection (1) substitute—

“(1) The Fiscal Officer may assess a person’s (P) liability for tax before or after the deadline specified in section 7(2) for submitting a declaration, and irrespective of whether P has submitted P’s declaration.”

Amendment to section 7 (declaration of property and payment of tax)

8.—(1) Section 7 is amended as follows.

(2) After subsection (2) insert—

“(2A) Where a contract for the sale or exchange of immovable property has been deposited with an Area Officer in accordance with section 3 of the Immovable Property (Specific Performance) Ordinance 2012 (b), the person (A) who is to acquire the property must include it in A’s declaration, and the person (B) who is to dispose of the property may omit it from B’s declaration.”.

(3) In subsection (3), for “subsection (1) and (2)” substitute “this section”.

(4) At the beginning of subsection (4) insert “Except where section 4(3) or subsection (2A) applies,”

(5) In subsection (5), for “subsection (1)” substitute “this section”.

Amendment to section 9 (declaration by owners resident outside island of Cyprus etc.)

9. In section 9, after “any incapacity” insert “or of a person aged under 18”.

Amendment to section 10 (assessment on agents and trustees)

10. In section 10, after “incapacitated person” insert “, a person aged under 18”.

Amendment to section 16 (collection of tax from occupier of property)

11. At the beginning of section 16 insert “Subject to section 7(2A),”

Amendment to section 17 (interest on tax unpaid)

12. In section 17(1) for “9% thereon” substitute “the rate for late payments in the Republic’s Law 167(I)/2006(c) (Single Public Interest Rate on Late Payments Law)”.

Amendment to section 21A (administrative penalties)

13. In section 21A for “3(3)” in the first line substitute “3(4)”.

(a) Cap 224, Statute Laws of Cyprus revised edition 1959, as applied in the Areas by the Sovereign Base Areas of Akrotiri and Dhekelia Order in Council 1960 (SI 1960/1369, United Kingdom). Schedule 2 to the Interpretation Ordinance 2012 (Ordinance 8/2012) provides for the interpretation of such legislation. Section 38A was inserted by section 7 of Ordinance 28/2014.

(b) Ordinance 16/2012.

(c) Republic of Cyprus Gazette No. 4104, 27 December 2006.

Transitory provisions

14.—(1) Despite sections 3(4) and (5) and 17 of the principal Ordinance, where a person pays the total amount of tax due for the year 2014 on or before 31 October 2014, there is a 15% reduction in the amount of tax payable.

(2) In the year 2014, the relevant date for the purpose of section 4(5) of the principal Ordinance is 30 days after the day this Ordinance is published in the Gazette.

(3) For the year 2014, tax is payable by 30 November 2014.

(4) For the purpose of subsection (3), the reference in section 17(1) to “30th day of September” is to be read as “30 November”.

EXPLANATORY NOTE

(This note is not part of the Ordinance)

1. This explanatory note relates to the Immovable Property (Taxation) (Amendment) Ordinance 2014 (the “Ordinance”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.
2. This note should be read in conjunction with the Ordinance. It is not, and is not meant to be, a comprehensive description of the Ordinance. So when a section or part of a section does not seem to require any explanation or comment, none is given.
3. The Ordinance amends the Immovable Property (Taxation) Ordinance 1980 (the “principal Ordinance”) to reflect relevant amendments made to the corresponding Republican law (Law 24 of 1980) by Law 108(I) 2014.
4. Section 2 contains commencement provisions. The amendments to the principal Ordinance have effect for the immovable property tax payable for the tax year 2014. The change in the rate of interest for late payment of tax from 9% to the rate in the Republic’s Single Public Interest Rate on Late Payments Law has effect from 1 January 2007.
5. Section 4 of the principal Ordinance is amended by section 6. New subsection (2) provides that where property is registered in the name of more than one person each person is deemed to be the owner of their share of the property (and thus liable to pay the immovable property tax). The effect of new subsections (3) to (8) is that where land is developed and the new properties sold but the transfer not completed, on provision of the relevant information by the owner of the development liability for the immovable property tax on the new buildings passes to the new owners. The deadline for providing the information is 30 March of the year following the development. For the 2014 year, it is 30 days after the Ordinance is published in the Gazette.
6. Section 5 of the principal Ordinance is amended by section 7. It gives the Fiscal Officer power to make an assessment of the immovable property tax, whether or not a person has submitted a declaration. The functions of the Fiscal officer are delegated to the Republic as a general delegated function (see section 23A of the principal Ordinance).
7. Section 7 of the principal Ordinance is amended by section 8. Where a contract for sale has been deposited in accordance with the Immovable Property (Specific Performance) Ordinance 2012, the purchaser must include the property which is the subject of the contract in the purchaser’s declaration for tax purposes.
8. The amendments made by sections 9 and 10 incorporate provisions for tax assessment on property owned by persons under 18.
9. Section 12 changes the interest rate on unpaid tax from 9% to the rate in the Republic’s Single Public Interest Rate on Late Payments Law. This change has effect from 1 January 2007 (see section 2).
10. Section 14 makes transitory provisions. There is a 15% discount on the tax payable where tax for the year 2014 is paid on or before 31 October 2014. The deadline for payment for tax due for the year 2014 is 30 November 2014.

SBA/AG/2/TA/117

Published by the Sovereign Base Areas Administration
The Sovereign Base Areas Gazette may be viewed on the official Sovereign Base Area Administration
web site: <http://sbaadministration.org/>