Syllabus and study guide

Taxation Cyprus (E1 CYP)



December 2027

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

Contents

1. Overall aim of the syllabus 3
2. Introduction to the syllabus 3
3. Main capabilities 4
4. Intellectual levels 4
5. The syllabus 5
6. Detailed study guide 6
7. Reading list 12
8. Approach to examining the syllabus 12
9. Guide to ACCA examination structure and delivery mode 12
10. Guide to ACCA examination assessment 13
11. Learning hours and education recognition 13

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1. Overall aim of the syllabus

The overall aim of the syllabus is to develop and enable the application of technical knowledge and skills relating to the Cyprus tax system as applicable to individuals, single companies and groups of companies.

2. Introduction to the syllabus

The syllabus for E1 Taxation (E1 CYP) starts by introducing candidates to the functions and systems applicable to Cyprus tax, including sources of revenue law and practice and the system for self and temporary assessment.

The syllabus then moves on to provide the core knowledge of the major technical areas of Cyprus taxation as they affect the activities of individuals and businesses, beginning with income tax. The syllabus covers the taxation of income from employment, self-employment, rental and investment income, including the availability of exemptions and deductions.

The next technical area covered by the syllabus is corporation tax, in particular the profits which are chargeable to corporation tax, how the corporation tax liability is computed and the effect of a group structure for corporation tax purposes.

The syllabus then moves on to cover the special defence contributions (SDC) and the disguised dividend distribution provisions.

Next in the syllabus is coverage of capital gains tax including the basic principles of computing gains and losses, the computation of capital gains tax and the availability of exemptions and reliefs.

The next technical area covered by the syllabus is contributions to social insurance and other funds, including contributions to the social cohesion fund and the general healthcare system.

Lastly, the syllabus covers the registration requirements, calculation and administration of value added tax (VAT).

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3. Main capabilities

On successful completion of this course of study, candidates should be able to:

- Assess the operation and scope of the Cyprus tax system and the obligations of taxpayers and/or their agents
- Assess and calculate the income tax liabilities of individuals
- Assess and calculate the corporation tax liabilities of individual and groups of companies
- Assess and calculate the special contribution for the defence (SDC) liabilities of individuals and companies
- Assess and calculate the capital gains tax liabilities of individuals and companies
- Assess and calculate the effect of social insurance contributions on employees, employers and the self-employed
- Assess and calculate the effects of value added tax on incorporated and unincorporated businesses
- Assess the impact of relevant taxes which apply in a variety of business and personal contexts

4. Intellectual levels

The ACCA Qualification syllabus is designed to progressively broaden and deepen the technical knowledge, skills and professional values demonstrated by the candidate on their journey through the qualification.

The specific learning outcomes within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension
Level 2: Application and analysis
Level 3: Synthesis and evaluation

Very broadly these intellectual levels relate to the three levels of the ACCA Qualification: Knowledge, Expertise and Strategic Professional.

Each learning outcome included in the detailed study guide is given a 1, 2 or 3 superscript, denoting its intellectual level. This gives an indication of the intellectual depth at which a learning outcome could be assessed within the examination. However, while Level 1 broadly equates with the Knowledge level, Level 2 to the Expertise level and Level 3 to the Strategic Professional level of the ACCA Qualification, some lower-level skills can continue to be assessed as the candidate progresses through each level. This reflects that at each stage of study there will be the requirement to broaden, as well as deepen, capabilities.

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5. The syllabus

A The Cyprus tax system

1. Cyprus taxes
2. Principal sources of revenue law and practice
3. The system for self and temporary assessment, the making of returns, submission of information, claims and the procedures relating to enquiries, objections and appeals

B Income tax liabilities

1. The scope of income tax
2. Income from employment
3. Income from self-employment
4. Other income, pensions and investment income
5. The comprehensive computation of taxable income and income tax liability
6. Use of exemptions and deductions
7. Penalties for non-compliance

C Corporation tax liabilities

1. The scope of corporation tax
2. Profits chargeable to corporation tax
3. The comprehensive computation of corporation tax liability
4. The effect of a group structure for corporation tax purposes
5. Penalties for non-compliance

D Special defence contribution

1. The scope of special defence contribution (SDC)
2. The comprehensive computation of SDC liabilities for individuals and companies
3. Deemed distribution provisions and the comprehensive computation of the tax liability
4. Disguised dividend distribution
5. Penalties for non-compliance

E Capital gains tax

1. The scope of capital gains tax (CGT)
2. The principles of computing gains and losses
3. Gains and losses on the disposal of immovable property
4. Gains and losses on the disposal of shares
5. The computation of CGT and the use of exemptions and reliefs
6. Penalties for non-compliance

F Social insurance and other fund contributions

1. The scope of social insurance contributions (SIC)
2. Contributions to social insurance and other relevant funds
3. Social cohesion fund (SCFC)
4. General healthcare system contributions
5. Penalties for non-compliance

G Value added tax

1. Value added tax (VAT) registration requirements
2. The computation of VAT liabilities
3. Administration of VAT and penalties for non-compliance

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6. Detailed study guide

A The Cyprus tax system

1. Cyprus taxes

a) Explain the difference between direct and indirect taxation.[1]

b) Summarise the different types of capital and revenue tax.[1]

c) Recommend an appropriate ethical action or response to a given tax situation.[2]

2. Principal sources of revenue law and practice

a) Explain the overall structure of the Cyprus tax system.[1]

b) Summarise the different sources of revenue law.[1]

c) Compare the interaction of the Cyprus tax system with that of other tax jurisdictions.[2]

d) Compare and contrast tax avoidance and tax evasion and summarise the aim of the General Anti-Abuse Rule (GAAR).[2]

3. The system for self and temporary assessment, the making of returns, submission of information, claims and the procedures relating to enquiries, objections and appeals

a) Analyse the features of the self and temporary assessment systems and apply to individuals.[2]

b) Analyse the features of the self and temporary assessment systems and apply to companies.[2]

c) Apply the time limits which apply for filing returns, revised returns and information, and the making of claims, including claims for refunds and objections.[2]

d) Apply the due dates for the payment of tax.[2]

e) Analyse and apply the procedures for assessment and collection of capital gains tax as they apply to individuals and companies.[2]

f) Explain the function and basic contents of the following tax forms: TD 1/4/6/7/59/63.[1]

g) Summarise the obligations of taxpayers to keep and retain books and records for tax purposes.[1]

h) Summarise the general powers of the Director of the Department of Taxation.[1]

i) Analyse the circumstances in which the Department of Taxation can enquire into a self-assessment tax return.[2]

j) Analyse and apply the procedures for objections, recoveries and appeals.[2]

B Income tax liabilities

1. The scope of income tax

a) Explain how individual residence is determined.[1]

b) Assess the tax implications of jointly held assets.[2]

2. Income from employment

a) Assess the factors which determine whether an engagement is treated as employment or self-employment.[2]

b) Analyse the basis of assessment for employment income.[2]

c) Calculate the income assessable.[2]

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d) Assess and calculate benefits in kind.[2]

e) Calculate and apply the taxable benefit assessable on loans or other financial facilities provided by a company to individual directors, direct or indirect individual shareholders, their spouses or relatives up to the second degree.[2]

f) Analyse allowable deductions.[2]

g) Explain the PAYE system.[1]

h) Assess and apply employment income exemptions for individuals who were previously non-Cyprus tax residents.[2]

3. Income from self-employment

a) Analyse the basis of assessment for self-employment income.[2]

b) Apply the badges of trade.[2]

c) Analyse the expenditure which is allowable in calculating the tax-adjusted trading profit.[2]

d) Capital allowances:

(i) Explain what constitutes plant and machinery for capital allowance purposes.[1]
(ii) Calculate wear and tear allowances for tangible and intangible assets.[2]
(iii) Calculate balancing allowances and charges.[2]
(iv) Assess when a balancing statement is and is not required.[2]

e) Relief for trading losses:

(i) Analyse how trading losses can be carried forward.[2]
(ii) Analyse how trading losses can be carried forward following the conversion of a business to a limited company.[2]
(iii) Assess how trading losses can be claimed against total income of the current year.[2]

f) Partnerships and limited liability:

(i) Analyse the treatment of consideration received in respect of trading goodwill.[2]
(ii) Analyse how a partnership is assessed to tax and calculate the assessable profit.[2]
(iii) Calculate the assessable profits for each partner following a change in the profit sharing ratio or a change in the membership of the partnership.[2]

g) Prepare a net worth/capital statement for an individual.[2]

h) Assess and apply the exemption for business profits of qualifying individuals who were previously non-Cyprus tax residents.[2]

4. Other income, pensions and investment income

a) Calculate rental income.[2]

b) Analyse and apply the treatment of rental losses.[2]

c) Analyse and calculate the treatment of income from short-term self-catering accommodation.[2]

d) Analyse the treatment of interest and dividend income.[2]

e) Analyse the treatment of pension and annuities.[2]

5. The comprehensive computation of taxable income and income tax liability

a) Prepare a basic income tax computation involving different types of income.[2]

b) Calculate the amount of income tax payable.[2]

c) Calculate the income tax on the overseas income of residents, including the double tax relief available.[2]

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6. Use of exemptions and deductions

a) Analyse income which is exempt from income tax.[2]

b) Assess and apply the deduction given for contributions to approved provident funds and pension schemes.[2]

c) Assess and apply the deduction given for life assurance and disability insurance premiums.[2]

d) Assess and calculate personal deductions for dependent children and main-residence rent or mortgage interest.[2]

e) Assess and apply the deduction given for home insurance premiums against natural disasters.[2]

7. Penalties for non-compliance

a) Calculate interest on overdue or overpaid tax.[2]

b) Analyse offences for non-compliance and calculate penalties.[2]

C Corporation tax liabilities

1. The scope of corporation tax

a) Explain the terms 'year of assessment' and 'accounting period'.[1]

b) Assess the residence of a company.[2]

c) Assess what it means to be a 'permanent establishment' and apply the consequences of an activity being so classified.[2]

d) Assess income exempt from corporation tax.[2]

2. Profits chargeable to corporation tax

a) Analyse the expenditure which is allowable in calculating the tax-adjusted trading profit.[2]

b) Calculate capital allowances as for income tax in B3d.[2]

c) Analyse the treatment of dividends, interest and property income, including income from short-term self-catering accommodation.[2]

d) Analyse how losses can be claimed against income of the current year of assessment.[2]

e) Analyse how trading losses can be carried forward and set off in subsequent years.[2]

f) Calculate profits chargeable to corporation tax.[2]

g) Apply adjustments required to accounting profit, including:[2]

i) non-deductible expenditure.
ii) exempt income.

h) Apply loss relief, including:[2]

i) current year loss.
ii) loss carry forward (seven-year restriction).

i) Apply deductions for approved charitable donations and donations or contributions to approved cultural institutions.[2]

3. The comprehensive computation of corporation tax liability

a) Calculate the corporation tax liability.[2]

b) Assess and apply double tax relief on foreign sourced income.[2]

c) Analyse how exemptions and reliefs can minimise the corporation tax liability.[2]

d) Apply capital allowances and balancing adjustments.[2]

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e) Apply restrictions on deductibility of interest, including interest relating to exempt income.[2]

f) Calculate final corporation tax payable.[2]

4. The effect of a group structure for corporation tax purposes

a) Assess if a 75% group exists and apply the reliefs which are available to members of such a group.[2]

b) Apply group relief for tax losses.[2]

c) Assess conditions for surrender and claim of group losses.[2]

d) Analyse restrictions on group loss utilisation.[2]

5. Penalties for non-compliance

a) Calculate interest on overdue or overpaid tax.[2]

b) Analyse offences for non-compliance and calculate penalties.[2]

D Special defence contribution

1. The scope of special defence contribution (SDC)

a) Explain the scope of SDC.[1]

b) Contrast income subject to withholding at source with that accounted for by assessment.[2]

2. The comprehensive computation of special contributions for the defence liabilities for individuals and companies

a) Calculate income subject to SDC.[2]

b) Calculate SDC liability and assess payment dates.[2]

c) Calculate the double tax relief available.[2]

3. Deemed distribution provisions and the comprehensive computation of the tax liability

a) Apply the deemed dividend distribution provisions.[2]

b) Assess the SDC consequences of deemed dividend distribution for shareholders.[2]

c) Calculate the comprehensive SDC liability and General Healthcare System (GHS) contributions.[2]

4. Disguised dividend distributions

a) Analyse the transactions giving rise to disguised dividend distributions and apply the relevant exemptions.[2]

b) Calculate disguised dividend distributions and the related SDC liability.[2]

5. Penalties for non-compliance

a) Calculate interest on overdue or overpaid SDC.[2]

b) Analyse offences for non-compliance and calculate penalties.[2]

E Capital gains tax

1. The scope of capital gains tax (CGT)

a) Analyse the scope and application of CGT.[2]

b) Assess which assets are exempt and which assets are chargeable.[2]

c) Analyse and apply the special contribution payable in accordance with the provisions of the Central Agency for Equal Distribution of Burdens (Creation, Objects, Responsibilities and Other Related Matters) Law.[2]

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2. The principles of computing gains and losses

a) Calculate and analyse the treatment of gains and losses.[2]

b) Analyse the treatment of, and calculate the deduction for, indexation allowances.[2]

c) Analyse and calculate the amount of any other allowable deductions.[2]

d) Analyse the treatment of, and calculate the deduction for, capital losses for both individuals and companies.[2]

3. Gains and losses on the disposal of immovable property

a) Assess which property falls within the definition of 'immovable property' for CGT purposes.[2]

b) Calculate the chargeable gain when immovable property is disposed of.[2]

c) Calculate the chargeable gain arising on the exchange of properties of equal or different value.[2]

d) Assess and apply the exemption applicable when a principal private dwelling is disposed of.[2]

e) Assess and apply the treatment of inherited property and transfers by reason of death.[2]

f) Assess and apply the treatment of gifts from parent to child, between husband and wife and other close relatives.[2]

4. Gains and losses on the disposal of shares

a) Analyse the circumstances in which a charge to capital gains tax arises on the disposal of company shares.[2]

b) Calculate the chargeable gain arising on the disposal of shares in a company owning immovable property.[2]

5. The computation of capital gains tax and the use of exemptions and reliefs

a) Assess and apply lifetime exemptions available to individuals.[2]

b) Assess and apply the right reduction/relief in given circumstances.[2]

c) Calculate the amount of capital gains tax payable.[2]

6. Penalties for non-compliance

a) Calculate interest on overdue and overpaid CGT.[2]

b) Analyse offences for non-compliance and calculate penalties.[2]

F Social insurance and other fund contributions

1. The scope of social insurance contributions (SIC)

a) Explain the scope of SIC.[1]

2. Contributions to social insurance and other relevant funds

a) Calculate the contributions payable for employed persons by employees and employers.[2]

b) Calculate the contributions made by self-employed persons.[2]

3. Social cohesion fund (SCFC)

a) Explain the scope of the SCFC.[1]

b) Assess the meaning of 'emoluments' for SCFC purposes.[2]

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4. General healthcare system contributions

a) Calculate the contributions payable for employed persons by employees and employers.[2]

b) Calculate the contributions payable by self-employed, pensioners, income earners and officers.[2]

5. Penalties for non-compliance

a) Assess and calculate surcharges for late payment of SIC, SCFC and other relevant funds as well as GHS contributions.[2]

G Value added tax

1. Value added tax (VAT) registration requirements

a) Assess the circumstances in which a person must register or deregister for VAT (compulsory) and when a person may register or deregister for VAT (voluntary).[2]

b) Assess the circumstances in which pre-registration input VAT can be recovered.[2]

c) Explain the conditions which must be met for two or more companies to be treated as a group for VAT purposes, and the consequences of being so treated.[1]

2. The computation of VAT liabilities

a) Calculate the amount of VAT payable/recoverable.[2]

b) Assess and apply the tax point when goods and services are supplied.[2]

c) Assess and apply the principles regarding the valuation of supplies.[2]

d) Summarise the treatment of zero-rated and exempt supplies.[1]

e) Analyse and apply the circumstances in which input VAT is non-deductible.[2]

f) Assess and apply the VAT relief available for bad debts.[2]

g) Assess and apply the treatment of the sale of a business as a going concern.[2]

h) Analyse and apply the VAT treatment of imports, exports and trade outside Cyprus.[2]

i) Assess and apply postponed accounting for VAT on imports.[2]

3. Administration of VAT and penalties for non-compliance

a) Analyse how VAT is accounted for and administered.[2]

b) Calculate late-payment interest, the 10% additional tax arising from late payment of VAT, and the penalty for failure to apply the reverse-charge mechanism.[2]

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7. Reading list

CYPRUS TAXATION – A COMPREHENSIVE GUIDE by Polina Jacovidou Michael

Tax Department tax news and circulars available on the Tax Department website here.

Tax Department tax guides available on the Tax Department website here.

8. Approach to examining the syllabus

The syllabus for E1 Taxation (E1 CYP) is assessed by a three-hour computer-based examination.

The examination will consist of two sections:

Section A will contain 15 two-mark objective test questions (OTs).

Section B will contain six constructed response questions (CRs). Four of the CR questions will be worth 10 marks each and two of the CR questions will be worth 15 marks each. The two 15-mark questions will focus on income tax (syllabus area B) and corporation tax (syllabus area C).

All other questions can cover any areas of the syllabus.

Tax rates, allowances and information on certain reliefs will be given in the examination.

9. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

The Expertise examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Expertise examinations are assessed by three-hour computer-based examinations.

The pass mark for all Expertise examinations is 50%.

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10. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax examinations, except if indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions. Regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates may be examinable if the effective date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list, where applicable.

For E1 CYP, generally examinations in June and December will be based on legislation passed by the previous 30 September. Note: Exceptionally, the examination in June 2027 will be based on legislation passed by 30 September 2025 and only the examination in December 2027 will be based on legislation passed by 30 September 2026.

11. Learning hours and education recognition

The ACCA Qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA candidates find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

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