



REPUBLIC OF CYPRUS
SHIPPING DEPUTY MINISTRY

Circular No 11/2020

30 April 2020

SDM 5.13.09
SDM 12.3.01.36
SDM 12.3.01.36.01
SDM 12.3.01.36.02

To all qualifying Registered Owners, Registered Bareboat Charterers, Managers and Representatives of Ships flying the Cyprus flag,

To all qualifying Owners of foreign ships, Charterers and Managers,

To all Members of the Cyprus Shipping Chamber,

To all Members of the Cyprus Union of Shipowners,

Subject: New Cyprus Tonnage Tax Legislation: The Merchant Shipping (Fees and Taxing Provisions) Laws of 2010 and 2020 (Law 44(I)/2010 as amended by Law 39(I)/2020) (hereinafter “the Law”)-The Tonnage Tax (Ancillary Activities to Maritime Transport) Notification of 2020

1. Further to our Circular No. 1/2020 dated 27 January 2020 (paragraph 3.2) and Circular No. 10 dated 24 April 2020, I wish to inform you that the following implementing Notification provided under the Law, has been issued and published in the Official Gazette of the Republic No. 5255 Suppl. I(I) on 29 April 2020, namely:

“The Tonnage Tax (Ancillary Activities to Maritime Transport) Notification of 2020” (P.I 182/2020), issued by virtue of section 2 of the Law with respect to the term “ancillary activities to maritime transport”.

2. In essence, **Notification P.I. 182 /2020** provides a detailed list of activities which constitute “*ancillary activities to maritime transport*” and thus are eligible for tonnage tax in compliance with the relevant European Union policy, the Community Guidelines for State aid to maritime transport and the European Commission decision practice.

3. The full text of the above-mentioned Notification translated into the English language is available in the web site of the Shipping Deputy Ministry at the following link:

<https://www.dms.gov.cy/dms/shipping.nsf/All/7C755D11C7E1B5CAC2258336004BFD54?OpenDocument>

4. It is recalled that the definition of maritime transport in section 2 of the Law, includes “*ancillary activities to maritime transport, provided that the revenues from such activities shall not exceed fifty per cent (50%) of the total gross revenues from the operation of each qualifying ship under tonnage tax by a qualifying owner or qualifying charterer.*” (see paragraph 3.1 of our Circular No. 10/2020).



Stavros Michael
Acting Permanent Secretary
Shipping Deputy Ministry

- cc - Permanent Secretary, Ministry of Finance
- Cyprus State Aid Commissioner
 - Commissioner of Taxation, Tax Department
 - Maritime Officers of the Shipping Deputy Ministry to the President abroad
 - Diplomatic Missions and Honorary Consular Officers of the Republic
 - Cyprus Shipping Chamber
 - Cyprus Union of Shipowners
 - Cyprus Bar Association
 - Institute of Certified Public Accountants of Cyprus

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