



REPUBLIC OF CYPRUS

SHIPPING DEPUTY MINISTRY TO THE PRESIDENT

Circular No. 1/2020

27 January 2020

SDM 5.13.09
SDM 12.3.01.36

To all Registered Owners, Registered bareboat charterers,
Managers and Representatives of ships flying the Cyprus flag

To all Members of the Cyprus Shipping Chamber

To all Members of the Cyprus Union of Shipowners

**Subject: Prolongation of “The Merchant Shipping (Fees and Taxing Provisions)
Law of 2010 (Law 44 (I)/2010)”**

I refer to the above matter and wish to inform you that following the formal assessment of the Cyprus tonnage tax and seafarer scheme, the European Commission has concluded that the assessed scheme of Cyprus is compatible with the internal market and in line with the Guidelines on State aid to maritime transport. The relevant Decision of the European Commission for the prolongation of the Cyprus tonnage tax and seafarer scheme was issued on 16 December 2019.

2. The European Commission concluded in its Decision dated 16 December 2019 that the Cyprus tonnage tax and seafarer scheme is in line with EU State aid rules, as it contributes to the competitiveness of the EU maritime sector and encourages ship registration in Europe while at the same time preserving Europe’s high social, environmental and safety standards and ensuring a level playing field.

3. A relevant amendment Bill, amending principal Law 44(I)/2010 has been prepared and it is anticipated that the Bill will be enacted into Law by the Cyprus Parliament within the coming weeks.

4. The amendment Bill provides inter alia for the extension of the validity period of *the Merchant Shipping (Fees and Taxing Provisions) Law of 2010 (Law 44(I)/2010)* until 31 December 2029, as well as for certain amendments which were deemed necessary in order to conform with the aforementioned approval Decision of the European Commission.



5. Further details regarding the implementation of the relevant Law 44(I) / 2010 as to be amended, will be provided in a new Circular which will be issued within the coming weeks.



Costas Iacovou
Permanent Secretary
Shipping Deputy Ministry to the President

- cc: - Permanent Secretary, Ministry of Finance
- Cyprus State Aid Commissioner
 - Commissioner of Taxation, Tax Department
 - Maritime Offices 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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