



REPUBLIC OF CYPRUS
SHIPPING DEPUTY MINISTRY

Circular No. 12/2024

SDM 12.03.001.032.003 / 05.13.002

3 April 2024

Tonnage Tax Companies
Owners of Ships under Foreign Flag,
Charterers, and Ship Managers operating in the Republic of Cyprus

Members of the Cyprus Shipping Chamber
Members of the Cyprus Union of Shipowners

Subject: Calculation of the Global Share for the Owners of Foreign Ships, Charterers and Ship Managers applicable for the fiscal year 2024

For the purposes of implementing sections 15(3)(a), 25(3)(a) and 35(2)(a) of the Merchant Shipping (Fees and Taxing Provisions) Law 44(I) of 2010 as amended, the Shipping Deputy Ministry (SDM) has calculated the Community-flagged Share (**Global Share**) on a sectoral basis.

2. The Acting Permanent Secretary of the SDM notifies qualifying companies under the Tonnage Tax System of the following results:

- The Global Share for *Owners of foreign ships* has **increased** to 31.93% (from 30.76%),
- The Global Share for *Charterers* has **increased** to 21.80% (from 21.07%),
- The Global Share for *Ship Managers* has **decreased** to 32.61% (from 32.79%).

3. Based on the above results, **Owners of foreign ships and Charterers** whose Community-flagged Share is at the time of assessment (i.e. on 31st December 2023), below their Reference Share (unless this is over 60%), may for the fiscal year 2024, include additional non-Community ships in the TTS. In that case an increase of 10% on the tonnage tax on all non-Community ships will apply (paragraph 8(2) of P.I. 536/2010).

4. It is pointed out that, **Ship Managers** whose Community-flagged Share is at the time of assessment (i.e. on 31st December 2023), below their Reference Share (unless this is over 60%) shall not include additional non-Community ships in the TTS, until they raise their Community-flagged Share back to their Reference Share. Any additional non-Community ships under management cannot be considered as qualifying ships and will be taxed with corporate-income tax by the Department of Taxation and the company shall maintain separate books, records and accounts for those ships as provided by section 44 of the relevant Law.

Dr Anthony A. Madella
Director
For Permanent Secretary

Cc:

- Permanent Secretary, Ministry of Finance
- Commissioner for State Aid Control
- Commissioner of Taxation, Tax Department
- Maritime Offices of the Shipping Deputy Ministry abroad
- Cyprus Bar Association
- Institute of Certified Public Accountants of Cyprus

