

Member States capabilities in fighting tax crimes			
Relevant legal definition(s) of tax-related offences			
	Tax avoidance	Tax evasion	Money laundering
Cyprus	is understood as a legal act - unless deemed illegal by the tax authorities or, ultimately, by the courts - of using tax regimes to one's own advantage to reduce one's tax burden.	is defined as an illegal act of evading taxes by concealing income, earned either legally or illegally, from detection and collection by the tax authorities.	refers to acts involving the processing of proceeds of crime to conceal their illegal origin and bring them back into the legal economy.
Legal text	<ul style="list-style-type: none"> • Section 5 of the Assessment and Collection of taxes Law • Section 50 of the Assessment and Collection of taxes Law • Section 33 of the Income Tax Law 	<ul style="list-style-type: none"> • Sections 49(1), 51(a) of the Assessment and Collection of taxes Law • Section 46 of the Value Added tax Laws 	Sections 4 and 5 of the Prevention and Suppression of Money Laundering and Terrorist Financing Laws
Nature of the offence	<ul style="list-style-type: none"> • Administrative • Criminal 	<ul style="list-style-type: none"> • Administrative • Criminal 	N/C
Objective element	<ul style="list-style-type: none"> • It shall be the duty of every individual who is required to deliver a return to deliver to the Director a statement showing full details of the business and private assets and liabilities, either within the Republic or elsewhere, of such person, any dependant thereof and the husband or the wife there of provided he does not have taxable income at the 31st December of each five year period. • Any person who without any excuse omits any object of the tax from the return of the object of the tax, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding two thousand pounds and he shall in addition pay the amount of tax lost as a result of his omission or act; and be chargeable by the Court with a further sum not exceeding double the difference between the tax properly imposed and the tax which would have been imposed had the assessment been based on the return rendered by him. Where a) a business in the Republic participates directly or indirectly in the management, control or capital of a business of another person; or (b) the same persons participate directly or indirectly in the management, control or capital of two or more businesses; and in either case conditions are made or imposed between the two businesses in their commercial or financial relations which differ from those which would be made between independent businesses, then any profits which would, but for those conditions, have accrued to one of the businesses, but, by reason of those conditions, have not so accrued, may be included in the profits of that business and taxed accordingly. 	<ul style="list-style-type: none"> • Every person that fraudulently or wilfully makes any incorrect income tax statement or return in respect of his/her income, is guilty of a criminal offence. • The fraudulent omission or delay in the payment of a tax • Any person knowingly concerned in, or in the taking of steps with a view to, fraudulently evade VAT by him or by any other person, shall be guilty of a criminal offence • Late submission or return (Section 50(a)(1) ACTL) • Late payment (Sections 26(1) 39 & 50A(e)) 	<p>Every person who knows or at the material time ought to have known that any kind of property constitutes a proceeds:</p> <ul style="list-style-type: none"> (i) and converts or transfers or removes such property, fir the purpose of concealing or disguising its illicit origin or of assisting in any way any person who is involved in the commission of the predicate offence to carry out any of the above actions or acts in any other way in order to evade the legal consequences of his actions; (ii) conceals or disguises the true nature, the source, location, disposition, movement of and rights in relation to, property or ownership of this property; (iii) acquires, possesses or uses such property; (iv) participates in, associates, cooperates, conspires to commit, or attempts to commit and aids and abets and provides counselling or advice for the commission of any of the offences referred above; (v) provides information in relation to investigations and are carried out for laundering offences for the purpose of enabling the person who acquired a benefit from the commission of a predicate offence to retain the proceeds or the control of the proceeds from the commission of the said offence
Mental element	N/C	N/C	It covers knowledge and ought to have known standards. Knowledge, intention or purpose may be inferred from objective and factual circumstances

Sanction	N/C	<ul style="list-style-type: none"> • Fine up to 17 000€and/or Imprisonment up to 5 years • Monetary penalty up to 5 000€and/or imprisonment up to 2 years • Fine up to 50 000 CYP and/or imprisonment up to 3 years • Administrative penalties: 100-200€ • Penalties and surcharges and another 5% 	<ul style="list-style-type: none"> • 14 years imprisonment and a fine of up to 500.000 EURO or both in the case of knowledge (S 4) • 5 years imprisonment or a fine of 50.000 EURO or both in case of ought to have known.
Other tax-related crimes		N/C	
Aggravating / mitigating circumstances	N/C	N/C	N/C
Legal persons/natural persons			
Other information			

Member States capabilities in fighting tax crimes									
Cyprus	2010	2011	2012	2013	2014	2015	2016	2017	Comments
MONEY LAUNDERING									
FIU: Unit for Combating Money Laundering MOKAS									Works autonomously. Has access to financial, administrative and law enforcement database. Has the power of freezing accounts if necessary.
Human Resources									21
Budget (€)									
Type of FIU									Hybrid
Number of Suspicious Transaction Reports (STRs)					654	878			These figures are extracted from the FIU 2015 annual report. These figures take into account the reports received by obliged entities under the 3AML Directive - banking institutions, accountants/lawyers, coop. banks, investment firms, money remittance firms and company service providers. NB: these figures do not differentiate ML from TF
Court Cases and Convictions									
Number of pending/unresolved court cases									
Number of incoming court cases			403						These figures span over a 4 year period (2011-2015)
Number of court cases resolved with a conviction						90			
Including number of persons convicted									
Including number of legal persons convicted									
Number of court cases resolved with an acquittal									
Number of court cases resolved in another way									
OTHER TAX-RELATED OFFENCES									
Tax Avoidance and Evasion Unit: Tax Department									Works in close cooperation with FIU CTD was established in 13/7/2014 with the integration of Inland Revenue Department and VAT Service. For the years before 2014 approximate numbers are used. Total number of employees and salary budget for the Cyprus Tax Department (includes the management, operations and support services).
Human Resources	780	780	780	780	787	789	784		
Budget (€)	€ 30.000.000	€ 30.000.000	€ 30.000.000	€ 30.000.000	€ 31.000.000	€ 30.000.000	€ 30.000.000		
Number of cases		1.489	1.179	1.814	1.193	808			The data relate mostly on indirect tax fraud cases The general strategy of the tax department is to proceed with a limited number of criminal prosecutions on annual basis and publish the results.
Number of Tax Audits	3.650	3.325	3.492	2.537	2.844	2.715			Audits conducted for individuals and legal persons on direct taxes (years 2010-2015) and VAT (2014&2015)
Taxes Debited on the basis of Audits	€2.515.672	€7.530.230	€7.291.625	€6.202.234	€6.023.000	€7.622.000			
Customs Unit: Department of Customs and Excise									
Number of Tax Fraud cases investigated	1.134	1.220	1.285	1.386	1.628	1.483	1.609	525	The number of cases in 2017 represent the period 01/01/17-28/06/2017
Additional recovery resulting from corporate audits and documents controls carried out	€ 821.901	€ 795.184	€ 943.823	€ 629.893	€ 870.109	€ 255.456	€ 368.241	1.184,10	

Court rulings pursuant to tax-related offences											The number of cases in 2017 represent the period 01/01/17-28/06/2017
Charges dismissed					1						
Sentences	15	4	7	9	6	7	7	4			
Including penalties	1					1					
Including fines	13	4	6	7	5	6	6	2			
Including imprisonment	1	1	1	2	1	1	1	2			
of which, conditional sentence		1	1				1	1			
of which, unconditional imprisonment	1			2	1	1		1			

Member States capabilities in fighting tax crimes

Cyprus	Interventions in response to the publication of the Panama Papers
Processing and analysing the Panama Papers data	
Supervisory activities	<p>Reference is also made to the supervisory authorities that have conducted onsite inspections on a number of regulated entities:</p> <ul style="list-style-type: none"> - The Superintendent of Co-operative Banks - The Securities and Exchange Commission - The Superintendent of Insurance - The Institute of Certified Public Accountants of Cyprus - The Council of the Cyprus Bar Association
Investigations initiated	Reference is made to a case identified by the FIU - an entity mentioned in the panama papers. A freezing of assets of around 15 million has been ordered.
(Pre) trial proceedings initiated	
Fines and sentences	There were no administrative sanctions.
Other information	