

Preparation of audited Financial Statements by individuals

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Article 30(1) of the assessment and collection of taxes law obligates every individual whose annual turnover exceeds the threshold of Euro 70.000 to prepare audited financial statements.

Based on an interpretative circular issued by the tax department (No 18) it has been clarified that the term turnover, for the purpose of this article, includes only the revenue generated from the exercising of any business activity. It is also further clarified that if an individual, in addition to the turnover, also has interest/ dividend/ rental income, then such income should also be taken into account in assessing whether the threshold of Euro 70.000 is exceeded or not.

It is also noted in the circular that it is important that the individual exercises a business activity in order to be obliged to prepare audited financial statements. Indicatively, employees and pensioners who also have interest/ dividend/ rental income (which is not the result of any business activity) should not have an obligation to prepare audited financial statements even if the threshold of Euro 70.000 is exceeded.

How EY can help?

EY Cyprus remains at your disposal for any professional and personalized advice based on your specific case at hand. Furthermore, we can assist you with the preparation and audit of your Financial Statements together with the completion and submission of your personal income tax return.

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