

Immovable property tax

Question:

Do I have to pay for the property, if I do not have the title deed? Please provide a link to the relevant article of the Cyprus law. 21/11/2014

Response:

The immovable property tax is due to be paid directly by the beneficiary (which refers to Buyer, Purchaser, Representatives, etc.) of the real estate, regardless whether the property is registered on his name or not, provided that he is the owner of the property. Moreover, the definition of "owner" means a person, endowed with the right to be registered as the owner of real estate. Taxation of real estate is based on full market value (estimated on the 1st of January 1980) of the property, fixed for each owner. These conditions are stated in the legal title from 01.01.1980. However, these conditions may be revised in the event of installation / construction of additional premises, made after the date of valuation of the land (as from 01/01/1980). You may also notice that the value of the property may not be reflected in some documents confirming legal status - especially those that contain old titles.

The relevant law is called the "Law on the amendment (EE Par I (I), Ar. 4453, 07.11.2014, Article 4 (4)) to the Law 108 (I) / 2014" on the taxation of real estate.

In addition to the above said, Article 4 (2) of the amendment claims that "when considering real estate (if the buildings were erected and sold), for which the relevant documents confirming the legal status of the transaction were not issued, or transfer has not been extended, on behalf of the Purchaser, the property owner may apply to the Director [the Ministry of Inland Revenue] up to the 31st of March of each year, with a statement regarding real estate and sales contract (if applicable) till the 1st of January of each year. "

According to the above amendments, even if the beneficiary is an unregistered owner of real estate, but he uses that property in accordance with the contract of sale or assignment agreement, consigned in the Land Registry Office, in this case he still is subjected to taxation, which will be formalized on his name.