

**TO** : Members – Custodians / Listed companies / Nominated Advisors  
**FROM** : Acting General Manager of the Cyprus Stock Exchange  
**SUBJECT** : **The Extraordinary Contribution for the Defence of the Republic (Amending) Law of 2022**  
**DATE** : 28 June 2022  
**CIRC. NO.** : 13-2022 / 10-2022 / 12-2022 / 11-2022

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Sirs,

With this circular we would like to inform you that an amendment to Article 3 of the Special Contribution for the Defence of the Republic (Amending) Law of 200 has been recently published so that the reduced special contribution rate of 3% covers the entire range of issuers from interest of bonds or securities of companies listed on a recognized stock exchange, which forms the local authority or state body.

In addition, an amendment has been included so that, with regard to interest received or credited relating to government bonds or corporate bonds listed on a recognized stock exchange, the legal persons and pension funds will pay interest of 3% (and not 30% as was the case in the past).

The relevant amendment is attached for your information.

Yours,

Nicos Trypatsas  
Acting General Manager

Inc.

Cc: Cyprus Securities and Exchange Commission  
CFSFA  
Cyprus Association of Listed Companies  
Issuers' Committee under Regulation EU 909/2014  
Participants' Committee (Members and Custodians) under Regulation  
EU 909/2014

**O.G. Annex I(I)**

**No. 4894, 8.6.2022**

**No. 78(I)/2022**

**The Special Contribution for the Defence of the Republic (Amending) Law of 2022 is issued by publication in the Official Gazette of the Republic of Cyprus pursuant to Section 52 of the Constitution**

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No. 78(1) of 2002

**LAW TO AMEND THE SPECIAL CONTRIBUTION FOR THE DEFENCE OF THE REPUBLIC LAWS OF 2002 TO (NO.4) OF 2021**

The House of Representatives enacts as follows:

Short title. 1.This Law shall be cited as the Special Contribution for the Defence of the Republic (Amending) Law of 2022 and shall be read together with the Special Contribution for the Defence of the Republic Laws of 2002 to (No. 4) of 2021 (hereinafter referred to as “the basic law”) and the basic law and this Law shall be jointly referred to as the Special Contribution for the Defence of the Republic Laws of 2002 to 2022.

117(I) of 2002  
223(I) of 2002  
188(I) of 2003  
178(I) of 2007  
23(I) of 2009  
44(I) of 2009  
75(I) of 2009  
111(I) of 2009  
40(I) of 2010  
132(I) of 2010  
114(I) of 2011  
190(I) of 2011  
72(I) of 2012  
29(I) of 2013  
119(I) of 2015  
208(I) of 2015  
209(I) of 2015  
68(I) of 2016  
106(I) of 2017  
131(I) of 2017  
98(I) of 2018  
118(I) of 2018  
25(I) of 2019  
87(I) of 2019  
155(I) of 2019  
172(I) of 2019  
184(I) of 2020  
6(I) of 2021  
32(I) of 2021  
177(I) of 2021  
195(I) of 2021

Amendment of section 3 of the 2. Section 3 of the basic law is amended by replacing paragraph (c) of subsection (3) thereof with the following paragraph:

basic law.

- “(c)(i) every person who is a resident of the Republic for interest received or credited from savings bonds of the Cyprus Government, government bonds of the Cyprus Government, corporate bonds listed on a recognised stock exchange, bonds or securities listed on a recognised stock exchange issued by a local authority or a state body at a rate of three per cent (3%);
- (ii) A local authority and a State body for interest received or credited at a rate of three per cent (3%):

Provided that, interest obtained by a person in the framework of the ordinary conduct of his business, including interest closely associated with the ordinary conduct of the business, shall not be deemed to be interest for the purposes of sub-paragraphs (i) and (ii):

Further provided that, for the purposes of 20(I) of 2014 sub-paragraphs (i) and (ii) “state body” has 123(I) of 2016 the meaning attributed to this term by 133(I) of 2016 section 2 of the Fiscal Liability and Fiscal 159(I) of 2017. Framework Law;

- (iii) A pension fund, a provident fund and the Social Insurance Fund for interest received or credited at a rate of three per cent (3%).”

Entry into force  
of this Law

3. This Law shall enter into force on the date of its publication in the Official Gazette of the Republic.