

**THE MERCHANT SHIPPING (FEES AND TAXING PROVISIONS) LAWS OF
2010-2020 (LAW NO. 44(I)/2010 AS AMENDED)**

**The Tonnage Tax (Ancillary Activities to Maritime Transport) Notification of
2020¹**

(Notification by virtue of section 2 of Law No. 44(I)/2010 as amended)

44(I) of 2010
39(I) of 2020.

*Short
title.*

Interpretation.

The Acting Permanent Secretary of the Shipping Deputy Ministry, exercising the powers vested upon him under section 2 (definition of the term “ancillary activities to maritime transport”) of the Merchant Shipping (Fees and Taxing Provisions) Laws of 2010-2020, issues the following Notification:

1. This Notification shall be cited as the Tonnage Tax (Ancillary Activities to Maritime Transport) Notification of 2020.

2.—(1) In this Notification —

“Law” means the Merchant Shipping (Fees and Taxing Provisions) Laws of 2010-2020;

“tonnage tax” means the annual tax imposed by virtue of the provisions of the Law;

(2) Terms contained in this Notification and not otherwise defined herein shall have the meaning attributed to such terms in the Law.

¹ **Editorial Note** : Published in the Official Gazette of the Republic of Cyprus No. 5255, Supplement III (I) , dated 29/04/2020. This is an “unofficial” translation into English prepared by the Shipping Deputy Ministry of the Republic of Cyprus and does not intend to replace any translation prepared by the Law Commissioner’s Office.

*According to Article 3 of the Constitution of the Republic of Cyprus, the official languages of the Republic of Cyprus are Greek and Turkish and therefore the present translation into English is **not the authentic version.** The authentic and therefore legally binding version, is the Greek version of this Notification.*

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*Determination
of ancillary
activities
to maritime
transport.*

3. For the purposes of the Law the following activities are determined by virtue of this Notification as ancillary activities to maritime transport:

(i) in relation to the carriage of passengers by sea, all hotel, catering, entertainment and retailing activities on board of a qualifying ship under tonnage tax, including inter alia:

- (a) the sale of alcoholic beverages, perfume and tobacco;
- (b) the exchange of currencies for personal use;
- (c) health, sport, beauty, spa and wellness services on board;
- (d) rental of advertising facilities on board;
- (e) renting out of ship premises to shop and service's operators;
- (f) betting or gambling;

(ii) the loading and unloading of cargo from a qualifying ship under tonnage tax operated by a qualifying owner or a qualifying charterer, and the provision by such qualifying owner or qualifying charterer of facilities or means used exclusively for those purposes;

(iii) the consolidation or breaking of cargo carried on a qualifying ship under tonnage tax operated by a qualifying owner or a qualifying charterer, immediately before or after the voyage, where the activity is not haulage-related;

(iv) the temporary placement of cargo carried on a qualifying ship under tonnage tax operated by a qualifying owner or a qualifying charterer, on or at the dockside, where the activity is not part of a long-term storage operation;

(v) the operation of ticketing facilities and passenger terminals in connection with shipping activities subject to tonnage tax;

(vi) the operation of office facilities in connection with shipping activities subject to tonnage tax;

(vii) the carriage of passengers or cargo otherwise than on board a qualifying ship under tonnage tax operated by a qualifying owner or a qualifying charterer, where:

- (a) there is a single contract with the customer for a journey which includes a voyage on the qualifying

ship under tonnage tax ; and

(b) the transport for the remainder of the journey is purchased or obtained by the qualifying owner or the qualifying charterer by provision which would have been made as between independent enterprises;

(viii) administrative and insurance services directly related to the carriage of passengers or cargo, including under a single journey contract which includes a voyage on the qualifying ship under tonnage tax;

(ix) the provision of holidays, sold to the customer under a single contract, where:

(a) part of the holiday is a voyage on a qualifying ship under tonnage tax operated by the qualifying owner or the qualifying charterer, and the remaining part may include all means of transportation of the customer to and from the ship by land or by sea or by air and may include any interim accommodation (“the land-based part”);

(b) the land-based part is purchased or obtained by the qualifying owner or the qualifying charterer under arm’s length conditions;

(x) the rental or provision to customers (i.e to shippers) of containers for goods to be carried on a qualifying ship under tonnage tax operated by the qualifying owner or the qualifying charterer;

(xi) the rental or provision of containers to a qualifying owner or a qualifying charterer by an entity member of the same group of companies, in relation to goods to be carried on a qualifying ship under tonnage tax operated by the qualifying owner or the qualifying charterer, provided that in all cases the entity member of the group of companies is a tax resident of the Republic;

(xii) the leasing out of containers by a qualifying owner or a qualifying charterer;

(xiii) the provision of excursions for passengers of a qualifying ship under tonnage tax operated by the qualifying owner or the qualifying charterer, where any cabin for the passenger remains available for exclusive use.

Issued at Limassol on the 28th of April 2020

STAVROS MICHAEL
Acting Permanent Secretary
Shipping Deputy Ministry