



Cyprus Expense Reimbursement Procedure

This guide outlines the rules and conditions for reimbursing business-related expenses in Cyprus. All reimbursements must comply with the criteria set by the tax department of Cyprus and Native Teams' internal accounting standards.

General principles

- Employers may reimburse employees for expenses incurred wholly, exclusively, and necessarily in the performance of employment duties.
- For tax-exempt treatment, expenses must not constitute a benefit-in-kind and must meet the criteria defined by the tax department.
- The expense should not be of a personal nature, unless explicitly covered (e.g., relocation or per diems).

Eligible expenses

The following business-related expenses are eligible for reimbursement:

- ◆ **Business travel** – Transportation, accommodation, and meals while travelling.
- ◆ **Mileage allowance** – Use of a personal vehicle for work purposes.
- ◆ **Professional training** – Development costs approved by the employer.
- ◆ **Client entertainment** – Related entertainment expenses.
- ◆ **Equipment & supplies** – Office supplies, laptops, phones, and equipment.
- ◆ **Utilities** – Telecommunication costs (mobile, internet) and home office expenses.
- ◆ **Relocation** – Expenses for expatriates, where applicable.

Reimbursement conditions



1. Travel & per diem expenses

- **Business travel:** Costs for flights, hotels, taxis, and similar travel are fully reimbursable. Expenses must be reasonable and supported by valid invoices.
- **Daily allowance (per diem):** A tax-free allowance of up to **€250 per day** is available, provided it is supported by receipts.



2. Mileage & car allowance

- **Mileage reimbursement:** Employees can be reimbursed **€0.25 per kilometre**. This amount is tax-free if the limit is not exceeded.
- **Car allowance (benefit in kind):** Up to €3,000 per year: **50% tax-exempt**.
 - Amounts exceeding €3,000: The taxable portion is calculated as the total allowance minus €1,500.



3. Client entertainment

- **Maximum limit:** The maximum reimbursable amount is €17,086 or 1% of the company's turnover, whichever is lower.



3. Work equipment & utilities

- Expenses for items such as phones, laptops, and internet services are generally non-taxable if used for business purposes.

⚠ Documentation requirements

The following documentation is required to process a claim:

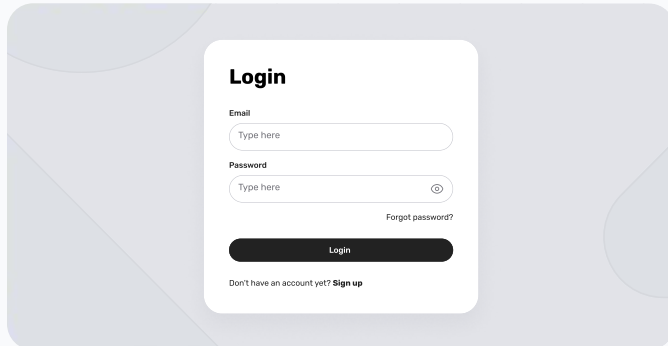
- **Original receipts/invoices:** Must show the date, amount, and nature of the expense.
- **Claim form:** A completed form signed by the employee and approved by the designated manager.
- **Mileage logs:** For mileage claims, a logbook or report indicating dates, destinations, and distances travelled is mandatory.
- **Proof of payment:** Bank statements or credit card slips may be requested.
- **Submission window:** Claims should be submitted within a reasonable timeframe (usually 30 to 90 days from the date of expenditure).

Special considerations

- **Authorisation:** Prior authorisation from the employer or the relevant department (e.g., HR or finance) may be required.
- **Tax status:** All expense claims must be supported by appropriate documentation to maintain non-taxable status.
- **Reasonableness:** Travel expenses must be justified and supported by valid invoices to be considered fully reimbursable.

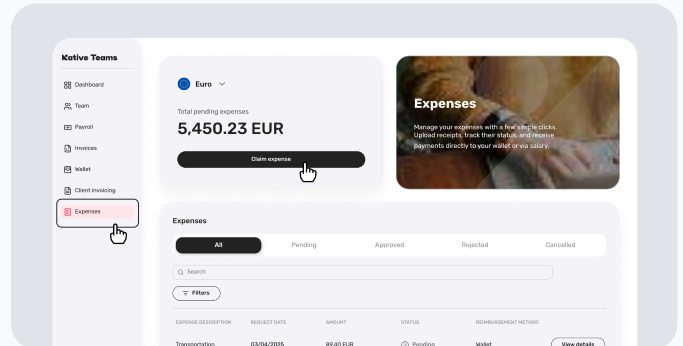
Expense Submission Process

Submitting via **Native Teams** Platform



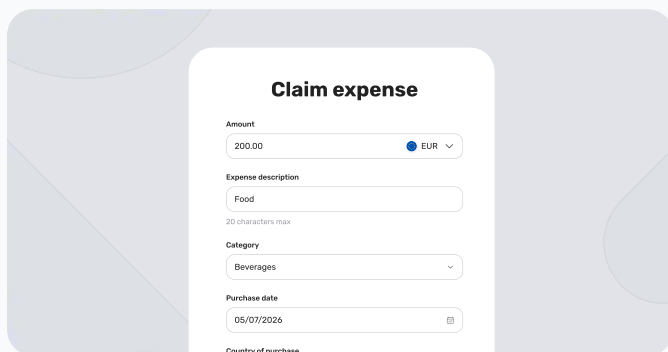
STEP 1

Log in to your Native Teams account.



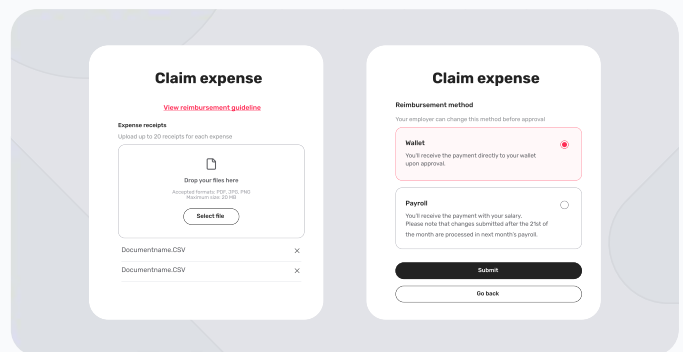
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



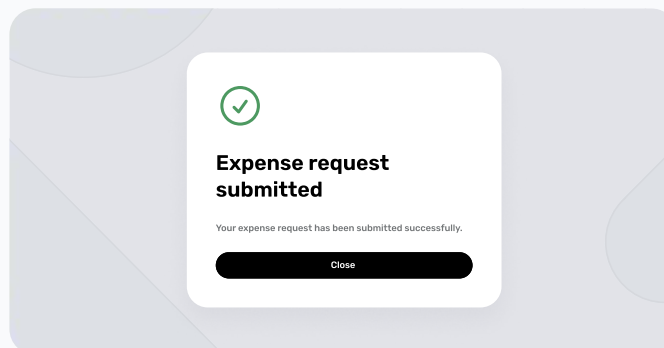
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.



Native Teams legal entity - Cyprus

◆ **Entity name:** Pelagonian LTD

◆ **Registration number:** HE 437819

◆ **Registered address:** ROUSSOS CENTER POINT, Floor 5, Flat 5E, 55 Gladstonos
Limassol, 3040, Cyprus

Native Teams

For any questions regarding expense reimbursements, please contact
customersuccess@nteam.com