

Cyprus Government announces Value Added Tax (VAT) measures for addressing the effects of Coronavirus outbreak on the Cyprus economy

Further to our VAT Update of 19 March 2020 regarding the decision taken by the Cyprus government to use Value Added Tax (VAT) as a fiscal policy tool for restricting the adverse effects of coronavirus (Covid-19), on the local economy, we would like to highlight the following:

Indirect Tax (VAT) Measures

Reduction of VAT rates

There seems to be a consensus between the political parties, so that the corresponding amount is being allocated to further support employees, self-employed and small and medium-sized enterprises as they have found that changing VAT rates from business systems will bring additional costs to businesses.

Consequently, the government will withdraw the proposed legislative amendment regarding the reduction of the standard VAT rate from 19% to 17% over a two-month period and the reduced VAT rate from 9% to 7% for a period of three and a half months.

Contact us

Feel free to contact us if you wish to have a deeper discussion on how this development might affect you or your business.

Our company has decided to remain operational and continue to serve our clients in addressing and overcoming any business challenges that may come along from this unprecedented situation.