

COVID-19

Measures taken globally on reduction (increase) of VAT rates, exemptions and donations

Disclaimer: The overview is based on newsletters issued till July 8, 2020

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Country	Description of the measure	Date of announcement	Date of entry into force	Planned repeal date
Algeria	Exemption of VAT for 2 years on components acquired in mechanical, electrical, etc industries (Link)			
Algeria	Algeria has temporarily scrapped customs duties and value added tax (VAT) on imports of pharmaceutical products and medical equipment (Link)			
Angola	Exemption from payment of VAT and customs duties on goods imported for the purpose of humanitarian aid and donations (Link)			
Argentina	The importation of critical supplies used to prevent the spread of the coronavirus is exempt from VAT levying for 60 days. The measure covers goods such as alcohol, disinfectants, face masks and respiratory devices, among others.	17/04/2020		
Argentina	Apply zero rate on VAT for importation of critical supplies used to prevent the spread of the coronavirus for 60 days. The measure covers goods such as alcohol, disinfectants, face masks and respiratory devices, among others.			
Austria	VAT tax rate reduction from 20% to 0% for respiratory masks for deliveries and intra-Community purchases.	14/04/2020	13/04/2020	01/08/2020
Austria	A reduction in the VAT rate for the sale of non-alcoholic beverages in taverns from 19% to 10%. (Link)		01/07/2020	31/12/2020
Austria	VAT rate reduced to 5% for café, restaurant and similar hospitality services, and entrance to cultural, cinema, sporting and other live venues (Link)			
Azerbaijan	Temporary exemption from VAT of certain types of products necessary for food and medical needs of the population. The import of medical equipment and medical accessories necessary for the fight against the pandemic, as well as certain types of food to meet the food needs of the population, including food for children, will be exempted from VAT temporarily. (Link)			
Belgium	Companies donating medical material and equipment to hospitals and computers will not have to pay VAT on these donations. (Link)		01/03/2020	01/09/2020

	Donations of medical devices to medical facilities are VAT exempt between March 1 till Sept 1, 2020 – Formalities needed (Link)			
Belgium	Temporary measures to allow VAT-free gifts of medical equipment to specified healthcare institutions (no VAT liability; no impact on right for donor to recover associated input VAT).			
Belgium	Belgium Reduces VAT Rate to 6% on Masks and Hydroalcoholic Gels for COVID-19 (link)	02/05/2020	04/05/2020	31/12/2020
Belgium	A reduction in the VAT rate from 12% to 6% applies to restaurant and catering services, including non-alcoholic drinks but excluding the provision of beers with alcohol exceeding 0.5% vol. and other beverages with alcohol exceeding 1.2% vol. The new rate applies from 8 June 2020 to 31 December 2020. (Link). Approved by the government on June 5, 2020 (Link)		08/06/2020	31/12/2020
Bulgaria	Exemption from import duties and value added tax on imports of goods necessary to combat the effects of the COVID-19 pandemic. This measure is applied to goods imported from 30 January 2020 to 31 July 2020 and has been extended to Oct 31, 2020 (Link)			31/10/2020
Bulgaria	Decrease of the VAT rate from 20 to 9% for (1) Restaurant and catering services, which consist of supply of cooked and uncooked food, except for services, which consist of supply of spirits. (2) Supply of books on physical carriers or by electronic means (including textbooks, training aids, drawing books, etc.), but excluding editions with advertising content and editions where the content is mostly musical or audio-visual and (3) diapers for babies. (Link)(Link)		01.07.2020	31.12.2021
Cabo Verde	Reduction of the standard VAT rate to 10% for tourism & event sector (Link)			
Canada	Finance Canada provides relief on imports of certain medical goods incl. PPE (link)			
China	VAT, consumption tax (CT), IIT, CIT and import tax exemptions have been introduced. These exemptions cover goods donated through charity organisations, through government authorities, or donated directly to the hospitals leading coronavirus containment. (link)			
China	VAT-exemption of sales by "small-scale taxpayers" in Hubei province and reduction of the VAT rate applicable to "small-scale taxpayers" in other areas from 3% to 1%, from March 1 to May 31, 2020.			
Colombia	Donation of listed goods intended to mitigate the COVID-19 crisis will not be considered as sales for VAT purposes, unless it is donated between related parties.			
Colombia	VAT zero-rating on medical devices	19/03/2020		

Colombia	Reduction in the consumption tax rate for restaurants, cafeterias, and other similar food and beverage services is reduced from 8% to 0% until 31 December 2020 (Link)			31/12/2020
Colombia	Elimination of VAT for three days (June 19, July 3, and July 19) to reactivate its economy. Complementary measures, such as the rental of commercial premises, until July 31. (Link)			
Congo	Suspension of VAT collection on the production and sale of basic necessities. The government has also provided an exemption from taxes and customs duties on pharmaceuticals, inputs for pharmaceuticals, and other medical materials and equipment for a period of 6 months. (Link)		01/04/2020	For 3 or 6 months
Costa Rica	Basic consumption goods are VAT exempt until July 2020, after which a reduced rate of 1% will apply for 2 years (link)			
Costa Rica	[Proposal] General VAT rate reduction from 13 to 9% for one year (Link)			
Costa Rica	VAT Exemption for SMEs on Water, Electricity, and Rent (Link)			
Costa Rica	VAT rate of 4% for engineering, architectural, construction services (Link)		01/07/2020	30/06/2021
Croatia	Relief from import duties and VAT exemption on imports needed to combat COVID-19 which are made available free of charge. (Link). Donations made to help with countering the effects of the COVID19 pandemic, will not be subject to VAT in the following three months starting from April 2020. (Link)			
Cyprus	Temporary reduction of the VAT rate applicable to hotel accommodation, restaurant services and certain passenger transport from 9% to 5% (Link)		01.07.2020	10.01.2021
Cyprus	Relief from import duties and VAT exemption on imports needed to combat COVID-19 which are made available free of charge (Link)			
Czech Republic	VAT Exemption on Gratuitous Supplies for COVID-19. Donation of masks and sanitizers is exempted from VAT. Donation of any products to the hospitals, social institution, firemen, police and army is exempted from VAT (link) (Link)			31/07/2020

Czech Republic	Reductions to VAT on accommodation services and admission to cultural and sporting events from 15 to 10%. 10% VAT rate should also apply to businesses such as saunas and fitness centres. (Link)			
El Salvador	Goods that are imported to help persons affected by the COVID-19 emergency and donated to the government or to public and private non-profit institutions are exempt from VAT and custom duties (Link)			
Estonia	VAT Exemption for Protective Equipment, Medical Devices for Coronavirus (link)			
EU	The EU commission has waived custom duties and Vat on imports of medical equipment from outside the EU. This includes protective equipment, test kits or medical devices such as ventilators. The measure will apply for a period of six months, with a possibility for further extension.	03/03/2020	30/01/2020	31/07/2020
Fiji	Exemption on VAT and import excise duty on medical goods.	27/03/2020	01/04/2020	31/12/2020
Finland	The sale of necessary protective equipment to the social and healthcare sector due to the coronavirus pandemic would, in specific respects, be temporarily exempted from VAT. The exemption would apply to protective equipment used in coronavirus-related prevention, testing, and care (Link)		30/01/2020	31/07/2020
Finland	[Proposal] Temporarily Provide Zero VAT Rate for Testing and Prevention Tools (Link)		01/01/2020	30/06/2020
Finland	Fourth Supplementary Budget Proposal Including VAT Exemption for PPE (Link)			
France	Temporary application of the reduced VAT rate of 5.5%, instead of the standard VAT rate of 20%, to supplies and intra-EU acquisitions of the following products: <ul style="list-style-type: none"> • Masks and protective clothing suitable for protection against COVID-19, retroactively as from 24 March 2020; and • Products intended for personal hygiene and adapted to the fight against the spread of COVID-19, retroactively as from 1 March 2020. The reduced VAT rate will be applicable until 31 December 2021. The criteria for the relevant products were listed in a decree dated 7 May 2020, published on 8 May 2020. Guidelines (Link)		01 or 24/03/2020	31/12/2021
France	Reduced VAT rate on PPE's – importer to issue a rectificative return and to ask for the reimbursement of the import VAT (Link)			
Georgia	VAT exemption for medical supplies on import and supply of protective shields; show covers; gloves; insulating overalls;			31/10/2020

	medical gowns; sets of medical gowns, hats and show covers; plastic goggles; masks; contactless thermometers			
Germany	Extending Reduced VAT Rate to Restaurant and Catering Services from 19% to 7% from 1 July 2020 until 1 July 2021 (Link)		01/07/2020	30/06/2021
Germany	Standard VAT rate reduced from 19 to 16 percent and reduced tax rate will drop from 7 to 5 percent between July 1 and Dec 31, 2020 (Link) Transitional measures (Link)		01/07/2020	31/12/2020
Greece	VAT reduction to 6%, from 24%, for sanitary products (masks, gloves etc). Fiscal cost is estimated to be negligible.	18/03/2020	20/03/2020	
Greece	No VAT will be levied on goods and services donated to the Greek government to help with the fight against the spread of COVID-19.			14/11/2020
Greece	Temporary VAT rate decreases from 24 to 13% for transport, coffee, non-alcoholic beverages, etc (Link)		01/06/2020	31/10/2020
Greece	Greek Government Extends Reduced VAT Rates for 5 Islands Until 31 December 2020 (Link)			31/12/2020
Greece	The reduction of the VAT rate from 9% to 5% will be applicable for the period from the 1st of July, 2020 to the 9th of January, 2021, for: <ol style="list-style-type: none"> 1. hotel accommodation, hotel apartments accommodation and similar establishments, including holiday accommodation; 2. restaurant and catering services; 3. transport of passengers and their accompanied luggage. (Link)	23/06/2020	01/07/2020	09/01/2021
Guatemala	An exemption from customs duty and VAT is provided on the import of goods that are donated to combat COVID-19. The exemption applies from 1 April 2020 until the COVID-19 emergency ends. (Link)		01/04/2020	
Guatemala	Donations for "the National Coordination for Disaster Reduction of Guatemala", churches, etc. will be exempt from VAT and customs duties. (Link)		01/04/2020	
Guinea	Exemption of VAT for 3 months on water/electricity bills in the tourism sectors (Link)			
Guinea	Exemption of custom duties and VAT for health equipment and similar products used in to fight against COVID-19.			
Guyana	VAT exemption for all medical supplies for testing, prevention and treatment of the COVID-19 virus.	25/03/2020	26/03/2020	30/06/2020

Greece	VAT exemption on water and electricity and domestic air tickets (Link)			
Guyana	Exemption of VAT on the acquisition of hand sanitizers and face masks. (Link)		12/03/2020	31/12/2020
Guyana	VAT exemption on water and electricity and domestic air tickets (Link)			
Honduras	Government and non-profit organizations are exempt from VAT on humanitarian-aid related purchases and donations.			
Honduras	Exemption of VAT payments for raw material and packing material used for manufacturing sanitizing products			
Honduras	Exemption of VAT on the acquisition of hand sanitizers and face masks.			
Iceland	A temporary extension was announced of the right for owners of residential property to claim reimbursement of 60% of the VAT incurred on the construction of this property. This regime has now been extended to provide full reimbursement of VAT incurred on the labour component of construction, renovation and maintenance services connected to residential property and to vacation real estate (e.g. summer cottages). This measure is further extended to "public benefit" organisations such as charities and sports associations. These measures will remain in effect until end 2020.			31/12/2020
Ireland	Zero VAT rate applies to the supplies of personal protection equipment and medical equipment to Health Executive, Hospitals and other Health Care Settings. (Link)		9/04/2020	31/07/2020
Isle of Man	Temporary zero VAT rate for PPE (Link)		01/05/2020	31/10/2020
Isle of Man	VAT Zero Rating for E-Publications (Link)		01/05/2020	
Italy	Masks and security devices exempt from VAT as of May 19. 2020 until the end of the year. After Dec 31, 2020 "super-reduced" 5% rate of VAT for supplies of certain medical goods. (Link) (Link)		19/05/2020	31/12/2020
Jamaica	Cut in General Consumption Tax rate from 16.5% to 15%. (Link)			
Jersey	A temporary zero-rating of the supply of staff to facilitate employers who keep people in employment and use them flexibly to support other businesses. The measure applies to all supplies of staff made in Jersey by GST registered businesses, which take place between 19 March and 20 September.			
Kazakhstan	VAT rate for imported and domestically sold "socially significant" alimentary goods will be reduced to 8% (standard rate is 12%) until 1 October 2020 (Link)			01/20/2020
Kenya	Reduction of the VAT standard rate from 16% to 14%. (Link)	26/03/2020	01/04/2020	

Lithuania	Donating goods to healthcare sector for purposes of fighting COVID-19 since 26 February 2020 , may deduct input VAT and no 'private use rule' applies. (Link)			
Mali	VAT exemption for electricity and water for April, May and June 2020 (Link)			
Malta	Reduced VAT Rate on Protective Face Masks (link)		04/05/2020	
Mexico	Proposal to reduce VAT rate from 16 to 10% (Link)			
Moldova	Reduction of the VAT rate for services and food supplied by entities providing hotel and restaurant services. (link)	17/03/2020		
Mozambique	Extension of the VAT Exemption for Sugar, Cooking Oil, and Soap Link			
Netherlands	Exemption of VAT on medical supplies (relief supplies and equipment) that are provided free to nursing homes, hospitals, psychiatric institutions, institutions providing care for the elderly.		16/03/2020	16/06/2020
Netherlands	Exemption of VAT on outsourcing of healthcare workers under certain conditions (e.g. the outsourcer is only allowed to charge gross payroll costs, if necessary, increased by a cost reimbursement of a maximum of 5%)		16/03/2020	16/06/2020
Netherlands	Temporary VAT zero rate on supply of protective face masks from 25 May to 1 September 2020 (link) Sterile Cotton Swabs for Medical Purposes Subject to 9% VAT Rate (Link)		25/5/2020	01/09/2020
Nigeria	Medical supplies exempted from VAT and import duty. This includes Medical and Pharmaceutical Products, Basic Food Items, Books and Educational Materials, Baby Products, Petroleum Products, Shared Passenger Transportation, Lease and Rental of Residential Accommodation (link)			
Norway	Reduction of the reduced VAT rate from 12% to 8% for certain cultural and touristic services as from 1 April 2020 through 31 October 2020	20/03/2020	01/04/2020	31/10/2020
Norway	Reduction of the reduced VAT rate from 8% to 6 % for certain cultural and touristic services as from 1 April 2020 through 31 October 2020 (Link)	27/03/2020	01/04/2020	31/10/2020
People's Republic of China	Donations made in cash or in kind to help combat COVID-19 are exempt from VAT and other consumption taxes. In addition, donations made by enterprises or individuals through qualified Public Benefit Organisations or government authorities can be fully deducted for CIT and PIT purposes.			

People's Republic of China	VAT exemptions for "lifestyle services" (normally subject to a 6% rate) including medical services, catering and accommodation services, "sundry personal services" including hairdressing and laundry, as well as public transportation and express delivery services provided to individuals.			
People's Republic of China	VAT-exemption of sales by "small-scale taxpayers" in Hubei province and reduction of the VAT rate applicable to "small-scale taxpayers" in other areas from 3% to 1%, from March 1 to May 31, 2020. (It has been extended to 31 December 2020.)			31/12/2020
Philippines	For VAT purposes, donated medical equipment and supplies will not be treated as a sales transaction (i.e. the donations are exempt from VAT) but input tax in relation to these donations remain creditable from output VAT.			
Philippines	VAT exemption for imported health-care equipment (COVID-19) (Link)			
Poland	Temporary introduction of the VAT rate of 0% for the donation of specific goods related to health care (including medical and pharmaceutical products, disinfectants, personal protective equipment - masks, gloves, protective clothing) made until 31 August 2020 by VAT payers for the specified governmental/public bodies and hospitals dedicated to treat patients infected with SARS CoV-2. (Link)	25/03/2020	25/03/2020	31/08/2020
Poland	Legislative work on introducing a temporary VAT exemption for import or intra-Community acquisition of specific goods related to health care (e.g. medical and pharmaceutical products, diagnostic tests, protective materials) intended for the donation for the specified governmental/public bodies and hospitals dedicated to treat patients infected with SARS CoV-2 is under way. The rules will apply retroactively from 1 February 2020 and will remain in force to 31 August 2020.	March 2020	01/02/2020	31/08/2020
Poland	Handsanetizers taxed 8% VAT rate (Link)		01/03/2020	30/06/2020
Poland	Temporary introduction of the VAT rate of 0% for the donation of specific goods related to health care (including medical and pharmaceutical products, disinfectants, personal protective equipment - masks, gloves, protective clothing) made until 31 August 2020 by VAT payers for the specified governmental/public bodies and hospitals dedicated to treat patients infected with SARS CoV-2.		25/03/2020	31/08/2020

Poland	Legislative work on introducing a temporary VAT exemption for import or intra-Community acquisition of specific goods related to health care (e.g. medical and pharmaceutical products, diagnostic tests, protective materials) intended for the donation for the specified governmental/public bodies and hospitals dedicated to treat patients infected with SARS CoV-2 is under way. The rules will apply retroactively from 1 February 2020 and will remain in force to 31 August 2020.		01/02/2020	31/08/2020
Poland	The extension of the list of entities to which donations (of medical and pharmaceutical products, disinfectants, personal protective equipment - masks, gloves, protective clothing) are subject to 0% VAT. 0-rated donations can be made until 31 August 2020 by VAT payers not only to the specified governmental/public bodies, hospitals dedicated to treat patients infected with SARS CoV-2, but also to social assistance centres. Temporary introduction of 0% VAT rate for medicines that have been imported or subject to intra-Community acquisition to Poland and financed by public fund-raising on condition that they are used in treatment that cannot be carried out abroad because of SARS-CoV-2.		24/04/2020	
Poland	Temporary introduction of 0% VAT rate for the donation of laptops and tablets made until 30 June 2020 by VAT payers to schools or educational, charitable or humanitarian organisations which transfer them free of charge to schools (to support on-line education).		22/04/2020	
Portugal	VAT exemption on donations of goods to the State and non-profit organisations, to be distributed to healthcare institutions or needed persons			
Portugal	VAT exemption and reduced VAT rates to health-related products on the IC supply and acquisition of goods (link) <ul style="list-style-type: none"> VAT exemption for purchases made by the Portuguese state, other public entities or non-profit organizations and applies from 30 January to 31 July 2020 Reduced VAT rate (6% in mainland Portugal) on importation, intra-community supply and acquisition of respiratory protection masks and skin disinfectant gel from May 8 to December 31, 2020 	07/05/2020		
Portugal	VAT on gyms and health club membership is to be reduced to 6% (Link)			
Russia	Reduced VAT Rate Applies to Sale of Medical Supplies Aimed to Combat COVID-19 (Link)			
Rwanda	VAT exemption is provided on masks (link)			

Saudi Arabia	Increase of the standard VAT rate from 5 to 15% (Link)		01/07/2020	
Serbia	VAT exemption on donations of supplies of goods/services to certain health institutions. Taxpayers making such supplies are allowed to deduct input VAT. The exemption applies from 15 March until the end of the state of emergency.		15/03/2020	
Slovenia	VAT exemption for supplies of protective and medical equipment (link). 0% VAT rate on PPE's supplied to Public Law entities (hospitals, etc) till July 31, 2020 (Link)	01/05/2020	13/03/2020	31/07/2020
Spain	0% VAT rate on the supply, import and intra-Community acquisition of medical equipment (PPE) by public, non-profit entities and hospitals to combat the effects of Covid-19 until 31 July 2020	21/04/2020	23/04/2020	
Spain	Super-reduced VAT rate (4%) applied to digital books, newspapers and magazines	21/04/2020	23/04/2020	
Taiwan	Reduction of Import Tariffs for Alcohol and Exemption for Masks Due to COVID-19 (link)			
Thailand	VAT Exemption for PPE. (Link)			
Tunisia	Reduction of VAT rate to 7% on import, production and sale of PPE (Link) Expansion of the Scope of Goods Eligible for VAT Reduction and Customs Exemption (Link)			
Turkey	The VAT rate for domestic flights is lowered from 18 percent to 1 percent for 3 months.			
Ukraine	The import of medicine, medical goods and medical equipment used in the fight against Covid-19 is temporarily exempt from VAT and customs duty for three months.		18/03/2020	
United Kingdom	Temporary VAT zero rate for personal protective equipment (PPE) (link). Extended till Oct 31, 2020 (Link) Importing various good without paying import VAT and Duty (Link)		01/05/2020	31/10/2020 31/12/2020
United Kingdom	Domestic Reverse Charge for construction services delayed until 1 March 2021 (Link)			30/09/2020
United Kingdom - Gibraltar	Extension of Import Duty Waiver for COVID-19 and Introduction of a New Duty on Personal Imports to Promote Local Purchases (Link)			
Uzbekistan	Goods, and services to specified charitable funds and certain others are deductible are exempt from VAT (links)			
Uzbekistan	Medical facial masks will be exempt from VAT	22/03/2020		

Venezuela	Import and Sale of Fuel Exempt from Customs, VAT and Financial Transaction Tax (Link)		29/05/2020	
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