

Zero rate for services closely connected to the supply of Covid-19 diagnostic medical devices



In brief

Schedule 6 of the Cyprus VAT Law which defines the transactions which are subject to the zero VAT rate, has been amended to include services that are closely related with the supply of diagnostic medical devices in vitro and vaccines for Covid-19.

In detail

The amendment of the Law has a retroactive application from 23 December 2020 and extends the scope of the application of the zero rate of VAT to include in addition to the supply of in vitro diagnostic medical devices and vaccines for Covid-19 disease, the supply of services closely related to the supply of these goods. The zero rate will apply up to 31 December 2022.

The zero rate applies only to in vitro diagnostic medical devices for COVID-19 and closely related services thereof, which comply with the applicable conditions of the Directive 98/79/EC of the European Parliament and of the Council of 27 October 1998 on medical devices used in diagnosis or with the Regulation (EU) 2017/746 of the European Parliament and of the Council of 5 April 2017 for in vitro diagnostic medical devices and only for vaccines against COVID-19 approved by the European Commission.

The Takeaway

Our dedicated VAT team is at your disposal to assist you with a critical review of your operations to identify whether you are eligible for the relevant transactions to be subject to zero VAT rate, as well as the correct implementation of the new amendment.

Let's Talk!

For a deeper discussion of how this issue might affect your business, please contact:

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