

Extension of the deferral of VAT payments for periods ending on 31 Mar 2021, 30 Apr 2021 and 31 May 2021



In brief

As part of the measures implemented by the Cyprus Government to mitigate the effects of Covid-19, the Ministry of Finance announced through its Press Office a further extension of the deferral of VAT payments for the VAT returns covering the periods ended 31 March 2021, 30 April 2021 and 31 May 2021.

In detail

Taxable persons whose business activities are not included in the categories specified in the legislation N. 5(I)/2021 (as listed in the table below) and have a VAT liability to pay for the periods ending 31/03/2021, 30/04/2021 and 31/05/2021, with submission and payment deadlines on 10/05/2021, 10/06/2021 and 10/07/2021 respectively, have the right to further defer the payment of the VAT liability.

Whilst the payment of the VAT Liability for the periods ending 31/03/2021, 30/04/2021 and 31/05/2021 had previously been deferred by 10/08/2021, 10/09/2021 and 10/10/2021 respectively, they have now been extended so that payments become payable on 10/10/2021, 10/11/2021 and 10/12/2021 respectively.

It is noted that the deferral of payment of VAT is applicable only if the VAT return for each period is submitted within the deadline, showing the VAT payable amount irrespective of when the liability will be paid.

The intention of the Ministry of Finance is to submit a bill to the House of Representatives, which will include the above legislative amendment as well as a provision for non imposition of any penalties or interest on taxable persons who will benefit from the above measure.

It is also noted that the remaining payments are payable on their specified dates even if they coincide with the dates of this extension.

1	Supermarkets and markets	47.11.1
2	Mines and Quarries	05. μέχρι 09.
3	Forestry and Logging	02.
4	Satellite and Other Telecommunication Services	61.
5	Production of Electricity	35.
6	Production of chemicals, products, metals and other non-metallic products	20. 23. 25.
7	Production of pharmaceuticals	21.
8	Manufacture of electrical equipment, machinery and electronic equipment for medical and therapeutic use	27. 28. 26.6
9	Repair and Installation of Machinery Equipment	33.
10	Water supply, wastewater treatment, management and related services	36. 37. 38. 39.
11	Financial and insurance activities including Licenced Banking Institutions and related services	64. 65. 66.
12	Doctors	86.
13	Construction industry and related services	41. 42. 43.
14	Wholesale related to the construction sector	46.63 46.73 46.74
15	Wholesale of motor vehicles and motorcycles, maintenance, manufacture and repair and related activities and related undertakings	45.
16	Commercial agents	46.11 μέχρι 46.19

17	Wholesale of tobacco, perfumes and cosmetics, furniture, carpets, electronic and telecommunication equipment and accessories, electrical household appliances, radio and television, PC, computer peripheral equipment and software, porcelain, glassware and cleaning materials and related businesses	46.21 46.35 46.43 46.44 46.45 46.47 46.51 46.52
18	Non specialised wholesale trade of food, beverages and tobacco	46.39
19	Programming, computer and related activities	62.
20	Hospital services	86.1
21	Nursing homes	87.30.1
22	Pharmacies	47.73.1
23	Trade of medical, orthopedic and pharmaceutical products	47.74
24	Lotteries and newsagents	47.99.5 47.99.6
25	Land and water transport, storage and postal activities	49. 50. 52. 53.
26	Private health companies and clinical laboratories	86.10.2 86.21.2 86.22.1 86.23.2 86.90.1
27	Home assistance activities and household activities as home employers	87. 97.
28	Film production and related activities	59.
29	Funeral home activities and related activities	96.03
30	Veterinary activities	75.

31	Head office activities, consulting and related activities	70.
32	Legal, accounting and architectural activities	69, 71.
33	Laundries	96.01
34	Gas Stations	47.3
35	Real Estate services	68.
36	Protection and research activities as well as service activities in buildings and outdoors	80, 81.

The takeaway

This measure has been taken by the Cypriot Government in order to support the cash flow position of businesses that their operations have been affected by the pandemic.

Let's Talk!

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

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