



In a constantly changing environment, it is sometimes difficult to find relevant information. To help you anticipate and prepare for the changes that may affect your foreign VAT, you will find below the main changes of VAT rates in Europe.

Country	Subject	Date	Status (1)	In a few words...
CYPRUS	Rate cut	From 1st of November 2023 to 30th april 2024	ADOPTED	Exemption from VAT on certain essential products: bread, milk, eggs, baby food, nappies, feminine hygiene products, adult nappies, coffee and sugar.
CZECH REPUBLIC	Rate cut	1st January 2024	ADOPTED	<p>* Zero VAT from 2024 :</p> <ul style="list-style-type: none"> <li>- books.</li> </ul> <p>* Reduced VAT rate of 12% from 2024 :</p> <ul style="list-style-type: none"> <li>- food (excluding drinks), gluten-free products,</li> <li>- medicines and pharmaceutical products,</li> <li>- medical equipment,</li> <li>- building work,</li> <li>- water and sewerage rates,</li> <li>- heat,</li> <li>- regular passenger transport, occasional passenger bus transport,</li> <li>- accommodation services,</li> <li>- catering services,</li> <li>- tickets for theatres, cinemas, sporting events, zoos, swimming pools, gyms, etc.,</li> <li>- magazines,</li> <li>- children.</li> </ul>
	Merger of reduced rates	1st January 2024	ADOPTED	Merger of the reduced VAT rates of 10% and 15% into a single reduced rate of 12%.
ESTONIA	Rate increase	1st January 2024	ADOPTED	The standard rate of VAT in Estonia is 22% instead of the current 20%.
	Rate increase	1st January 2025	ADOPTED	Accommodation services and accommodation services with breakfast will be taxed at 13% VAT rate instead of the current 9%, and the VAT rate for press publications will rise from 5% to 9%.
	Rate cut	N/A	PROPOSAL	The Estonian Parliament is examining bills (Resolution Nos. 272 OE and 277 OE, Bill n° 286 SE) aimed at reducing VAT rates on certain foodstuffs and certain medicines (notably cancer treatments) from 20% to 5%.
FINLAND	Rate increase	2025	PROPOSAL	Increase of the VAT rate to 14% on goods and services currently subject to the reduced rate of 10%; except for newspapers and magazines.
ITALY	Creation of new VAT rates	N/A	Law adopted (9th of August 2023), Awaiting implementing decrees	As part of a more comprehensive tax reform, Italy wishes to introduce, in line with Council Directive (EU) 2022/542 of 5 April 2022, VAT treatments that are homogeneous with those in force in other Member States for similar goods and services. This could lead, for example, to the application of two reduced rates of not less than 5%, one lower rate and one higher rate.
LUXEMBURG	Back to standard rates (after a temporary VAT cut in 2023)	1st January 2024	ADOPTED	End of temporary reduced rates and return to the standard rates in force before 2023 : <ul style="list-style-type: none"> <li>- Standard rate: 17 %,</li> <li>- Intermediate rate: 14 %,</li> <li>- Reduced rate: 8%.</li> </ul>
MALTA	Addition of a new reduced VAT rate	1st January 2024	ADOPTED	<p>Malta adds a new reduced rate of 12% from 1 January 2024. There are also some zero-rated supplies. The other reduced VAT rates (5% and 8%) and the standard VAT rate of 18% will remain unchanged.</p> <p>The 12% rate will apply to the following services:</p> <ul style="list-style-type: none"> <li>- Custody and management of securities,</li> <li>- Management of credit and credit guarantees by a person or body other than those who granted the credit,</li> <li>- Hiring of a pleasure boat to a person according to an agreement for any term or part of a term that, when added to the term of a previous hiring, of the same goods or of other goods of the same kind, to the said person during the previous twelve (12) months ending on the date of the beginning of the existing hiring, does not exceed five (5) weeks.</li> <li>- Services consisting of the care of the human body required to be delivered by a person in the exercise of any profession regulated by the Health Care Professions Act (Cap.464), including services supplied in the course of a health studio business or similar business, but not including exempt supplies referred to in item 11 of Part Two of the Fifth Schedule.</li> </ul>

Country	Subject	Date	Status (1)	In a few words...
<b>PORTUGAL</b>	Extension of reduced rate	From 31st October 2023 to 31st December 2023	ADOPTED	Renewal of the VAT exemption on basic necessities (bread, potatoes, pasta, rice, vegetables, onions, tomatoes, etc. - see <a href="https://diariodarepublica.pt/dr/detalhe/lei/17-2023-211783460">https://diariodarepublica.pt/dr/detalhe/lei/17-2023-211783460</a> ).
<b>ROMANIA</b>	Rate increase	1st January 2024	ADOPTED	The VAT rate increases from 9% to 19% for: - the delivery of non-alcoholic beer, - foods with added sugar (over 10 g per 100 g product), with the exception of cookies and biscuits.
	Rate increase	1st January 2025	ADOPTED	The VAT rate increases from 5% to 9% for: - the delivery of high-quality food, i.e. mountain, eco and traditional products, - the delivery of housing as part of the social policy (useful surface of a maximum of 120 sqm, exclusive of household annexes, the value of which, including the land on which they are built, does not exceed the amount of RON 600,000 excluding VAT). The reduced rate applies only to homes that, at the time of delivery, can be lived in as such, - supply and installation of photovoltaic panels, solar thermal panels, heat pumps and other high-efficiency, low-emission heating systems, including installation kits, as well as all necessary components purchased separately for central or local public housing / buildings except for commercial companies, - the delivery and installation of components for the repair and/or expansion of systems as a component part of construction deliveries or as extra options when delivering a construction, - access to malls, amusement parks and recreational parks the activities of which fall under CAEN codes 9321 and 9329, fairs, exhibitions, cinemas and cultural events, other than tax-exempt ones, - access to sporting events.
	Rate increase	1st January 2026	ADOPTED	The VAT rate increases from 5% to 19% for: - the right to use sports facilities whose activities are classified under CAEN codes 9311 and 9313, other than the exempt ones, - the transport of people by trains or historic steam-powered vehicles on narrow gauge lines for tourist or leisure purposes, - the transport of people using cable transport facilities – cable car, cable car, chair lift and ski lift – for tourist or leisure purposes, - transporting people with animal-drawn vehicles, used for tourist or leisure purposes; transporting people with boats used for tourist or leisure purposes.
<b>SWITZERLAND</b>	Rate increase	1st January 2024	ADOPTED	From 1 January 2024, the following VAT rates will apply : - Standard rate: 8.1%, - Reduced rate: 2.6%, Special rate for accommodation: 3.8 %.

(1) Status

*Draft: The proposal is only at the draft stage.*

*Proposal: A written draft for legislative transposition has been submitted but not adopted.*

*Adopted: The proposal is/will be adopted.*

*Cancelled: The initial project has been abandoned.*

*Pilot: The project is at the pilot stage.*

The above information is a non-exhaustive snapshot at a given time. It is provided for information only.

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