



Cyprus

This guide is for e-commerce companies that sell online via web stores or at marketplaces.

VAT Standard rate

The standard VAT rate in Cyprus in 2023 is 19%.

VAT Reduced rate

5%, 9%

See the summary of the [EU VAT rates](#)

Thresholds

From the 1st of July 2021, the distance selling thresholds were withdrawn and replaced by a unified threshold of €10,000 for all EU members.

In other words, VAT should be charged at the VAT rate of the customer's country of residence by companies whose annual taxable cross-border turnover is over €10,000.

Deductible VAT

To check if you have exceeded the threshold add together the total value of distance sales, you should exclude:

- Intra-Community supplies of goods;
- Supplies of new means of transport or of goods that are subject to excise duty;
- Those supplies for which the margin scheme is applicable.

If you paid invoices before VAT registration you may deduct them after your registration.

Registration procedure

A person who is to be registered is obliged to notify the Tax Commissioner of his liability by submitting to the local Offices:

- Form VAT 105;

- Valid VAT number or certificate of registration as a taxable person (entrepreneur) issued by the Tax Office of the Member State the entrepreneur has established his business in (original);
- Copy of the company statutes;
- Copy of the manager's passport/ID;
- Copy of the certificate of registration.

These documents should be sent within 30 days of the end of the relevant month and his registration is effective from the end of the month following the relevant month or from the such earlier date as may be agreed between the person and the VAT Officer.

The registration is effective from the beginning of this period.

Tax representative

If a trader is not resident in the Republic, in the case of private individuals, or a legal person is based abroad, and they carry out business in Cyprus and are liable or entitled to registration in the VAT Register of the Republic, the VAT officer may appoint a person who is resident in the Republic and is recommended by the trader, to act on behalf of the trader for VAT matters (a VAT representative) or require security for the protection of public revenue.

It should be noted that, for private individuals resident in another Member State or legal persons incorporated in another Member State, there is no obligation to appoint a VAT representative.

VAT payment date

The dates for VAT payment are as follows:

- 1st quarterly by the 10th day of the second month following the end of the quarter (quarterly VAT return).

Filing VAT returns

A taxpayer must transmit tax returns to the Cyprus Tax Department by electronic means. The Lovat platform supports digital submission. A tax return must be filed even if no transactions have been performed during the relevant quarter.

The dates for filing quarterly VAT returns are as follows:

- 1st quarterly – by 10 of April;
- 2nd quarterly – by 10 of July;
- you are not required to file any summarizing annual VAT return in Cyprus.

At the Lovat portal, you can see your deadlines.



www.vatcompliance.co