



# Cyprus

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

## VAT Standard rate

19%

## VAT Reduced rate

5%, 9%

## Thresholds

€35 000 (distant sales)

According to the VAT Law, any person making distance sales (sales from a person established in another Member State), is liable to register for VAT purposes in Cyprus and account for VAT in Cyprus, if, in the period starting from the 1st January of the year, the value of distance sales exceeds €35.000. Failure to comply renders the person liable to a levy of €85 for every month of the delay or refusal or omission.

There is also the right for voluntary registration when the threshold is not reached. It is noted that persons making zero-rated supplies are also liable to be registered.

## 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 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 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 as from the end of the month following the relevant month or from such earlier date as may be agreed between the person and the VAT Officer.

The registration is effective as 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 – carries out a business in Cyprus and is 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:

- 1<sup>st</sup> quarterly by 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. 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:

- 1<sup>st</sup> quarterly – by 10 of April,
- 2<sup>nd</sup> 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.