

## Cyprus VAT Update

The Parliament of the Republic of Cyprus has in December 2012 amended the relevant VAT legislation to provide as follows:

- From the 14<sup>th</sup> of January 2013 the standard rate of VAT in the Republic of Cyprus is being increased to 18% (i.e. a 1% increase from the currently applicable rate of 17%).
- From the 13<sup>th</sup> of January 2014 the standard rate of VAT in the Republic of Cyprus is being increased to 19%.
- From the 13<sup>th</sup> of January 2014 the reduced rate of VAT in the Republic of Cyprus at 8% is increased to 9%.
- The increases in the relevant legislation do not affect the products and services that come under the reduced VAT rates of 5% or zero rated products and services.