

## **Cyprus VAT rate increase**

- From the 1<sup>st</sup> of March 2012 the standard rate of VAT in the Republic of Cyprus is being increased to 17% (i.e. a 2% increase from the currently applicable rate of 15%).
- The relevant VAT authorities have clarified that the increase in the relevant legislation, passed in December 2011, does not affect the products and services that come under the reduced VAT rates of 5% or 8%, or zero rated products and services.