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Factsheet for case **CY-2020-14/442**

Suspension of value added tax (VAT) payment

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Country	Cyprus, applies nationwide
Time period	Temporary, 30 March 2020 - 10 November 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct or indirect financial support
Case created	10 April 2020 (updated 17 April 2020)

Background Information

The measure for the suspension of the payment of VAT is provided in the 'Amendment Value Added Tax (VAT) Law' N. 24(1) 2020.

The measure is taken by the government within a bundle of other measures to support businesses to stay afloat during the crisis.

The measure is applied to all taxable persons that are registered in the VAT Register but excludes specific economic activities that have not been affected by the coronavirus crisis.

Content of measure

According to the Law, registered persons in the VAT Register, whose their defined tax period payments are due in 29 February 2020, 31 March 2020 and 30 April 2020 are entitled with the right to suspend their payments by 10 November 2020.

The suspension of VAT payments is not implemented, however, to taxable persons in certain economic activities that have not been affected by the crisis. Among these group of economic activities are: production and provision of electricity, supermarkets, mini-markets and kiosks, pharmacies, telecommunications and food, groceries, fish, meat, pastry, bakery and pasty retail markets.

The eligible taxable persons are exempt for extra taxes and interest taken that they submit their application

in time and pay their taxes by 10 November 2020.

Use of measure

No information is currently available

Actors, target groups and funding

Actors	Target groups	Funding
National government Social partners jointly Trade unions Employers' organisations	All companies SMEs Larger corporations other businesses	No special funding required

Social partners

Role of social partners	Agreed (outcome)
Form of involvement	Direct consultation

The government has consulted social partners - trade unions, employers' organizations and political parties - and the measure was approved on an agreed base.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 30 March 2020: Suspension of VAT Payments (www.mof.gov.cy)