



M.C. FANDEOS CO LTD

Chartered Certified Accountants

Est. 1997

General information regarding VAT treatment for Cypriot companies who deal with UK parties after Brexit 2021.



As of January 1st, 2021, United Kingdom (UK) has formally exited the European Union (EU) and will be a country outside the EU. Consequently, all the provisions of the Cyprus VAT Law will apply as they apply for any other country which is not a Member State of the EU.

A deal was made between UK & EU called: “Northern Ireland Protocol”, which keeps Northern Ireland in the EU’s single market for goods (EU customs apply at its ports).

A deal is in process between UK & Spain regarding Gibraltar (British Overseas Territory), which will join the EU's Schengen zone and will follow other EU rules, while remaining part of the UK.

Cross border supplies of Goods (between UK & Cyprus)

Goods that will be received by taxable persons in Cyprus from the UK, will be considered as imports, and goods that will be sent to the UK from Cyprus will be treated as exports from Cyprus and all necessary customs procedures should be properly applied (there will be no obligation for submitting INTRASTAT declarations).

Note: Any movement of goods concluded during the transition period 01.02.2020 – 31.12.2020, or started during this period but will be concluded after, is considered to be an intra-community movement of goods according to the CY VAT Act.

Cross border supplies of Services (between UK & Cyprus)

The place of supply rules in respect to services supplied and services received between taxable persons in Cyprus and companies based in the UK, does not change due to the exit of the UK from the EU. However, regarding the supply of services, there will be no obligation for submitting VIES declarations.

For any further details on any specific case feel free to contact out V.A.T. specialists.

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