

Tax update

Newsletter

pwc

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Refund of VAT suffered outside Cyprus

Enterprises carrying out economic activities outside Cyprus suffer foreign VAT on the expenses that they incur. The most common expenses on which a Cypriot enterprises suffer VAT include:

- Hotel accommodation services
- Meals
- Car rental expenses
- Payments made for participation in exhibitions abroad
- Vehicle fuel costs
- Payments made for participation in seminars abroad

The VAT suffered on all or most of the expenses stated above can, depending on the local rules of each country, be recovered. The right to recover the amount of the overseas VAT is not restricted solely to expenses incurred in the other EU Member States. VAT suffered on expenses incurred in some countries which are not members of the European Union can also be recovered. Examples of such countries are Switzerland and Israel.

As of 1 January 2010, the claim for the refund of the foreign VAT must be submitted online to the VAT authorities of the country in which the claimant company is resident.

For the Member States of the European Union and for some other counties the refund application for the amount of the VAT suffered in a specific calendar year must be filed by 30 September of the following year.

PwC with offices in all the countries of the world can undertake the procedures for claiming the amount of the foreign VAT suffered. The cost for the provision of such services comes up to a small percentage of the VAT refund that will be received.

For any additional information or explanations in relation to the above please contact any of the persons mentioned in the opposite column.

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