

Indirect Tax Services

Newsletter



Newsletter 74 / July 2017

Amendment of the VAT law

The present newsletter refers to the amendment of the VAT law with regards to the annulment of the right of the taxpayers to submit objections to the Minister of Finance for VAT matters, which has been replaced with their right to appeal to the Tax Tribunal or to the Administrative Court. This amendment comes into force as from 7 June 2017.

Specifically, in accordance with the amended article 51A and new articles 52 and 53 of the VAT law, a taxable person has the right to submit a hierarchical appeal to the Tax Tribunal before submitting an appeal to the Administrative Court for the following VAT matters:

- (a) VAT imposed on delivery, importation and acquisition of goods from another Member State as well as on provision of services.
- (b) Input VAT that a taxable person can deduct.
- (c) VAT assessment pursuant to the provisions of articles 49 and 49A.
- (d) Issuance of VAT assessment pursuant to the provisions of article 50.
- (e) Any guidance or additional guidance issued pursuant to paragraph 2 of part I of the Schedule One.
- (f) Any decision taken pursuant to paragraph 1 of part I of Schedule Four.

For any other VAT matters, for example registration or deregistration, VAT refund claims, approval for permissible VAT apportionment etc., the taxable persons can submit an objection to the Commissioner.

The hierarchical appeal must be filed within 45 days from the notification to the taxable person of the relevant decision or act of the Commissioner. The Tax Tribunal may give an extension to the taxpayer provided that there is reasonable cause.

Conditions governing hierarchical appeal

We set out below the elements that are required to be submitted by the applicant prior to the examination of the hierarchical appeal by the Tax Tribunal.

- (a) Necessary documents and records to support the appeal.
- (b) All the required VAT returns and payment of the amounts shown on these returns.
- (c) Payment of the non-disputed amount or provision of a guarantee to the Tax Tribunal following a relevant request.

Power of the Tax Tribunal

It is important to note that as per the amended VAT law, following the examination of the hierarchical appeal, the Tax Tribunal has the authority to issue one of the following decisions:

- (a) Annul or validate in whole or in part the decision of the Commissioner.
- (b) Amend the decision of the Commissioner.
- (c) Issue a new decision in replacement of the decision of the Commissioner.
- (d) Refer the case to the Commissioner with instructions to him to take specific actions.

How can PwC assist

The dedicated team of VAT professionals at PwC is ready to assist you further on this matter.

Your contacts for Indirect Tax matters in PwC Cyprus:

Theo Parperis, Head of Tax & Legal Services - theo.parperis@cy.pwc.com

Chrysilios Pelekanos, In charge of Indirect Tax Services - chrysilios.pelekanos@cy.pwc.com

Varnavas Nicolaou - varnavas.nicolaou@cy.pwc.com

Martha Lambrou - martha.lambrou@cy.pwc.com

PricewaterhouseCoopers Limited
PwC Central
43 Demostheni Severi Avenue
CY-1080 Nicosia
Cyprus
Tel. +357 - 22 555 000

www.pwc.com.cy

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