

FISCAL OFFICE NOTICE

CONVERSION OF DUTY-FREE VEHICLE TO DUTY PAID

1. What has changed?

There has recently been a change in the car tax law in Cyprus. Most of you registered your vehicle as duty free to avoid the Cyprus vehicle consumption tax. This vehicle consumption tax has now been abolished. If your vehicle was VAT paid in another member state prior to the arrival in Cyprus, then there is no requirement to register the vehicle as a duty free vehicle.

2. Can all duty free vehicles be converted to duty paid

Only vehicles that were VAT paid in another member state qualify. Vehicles purchased under the British Forces Germany tax free scheme do not qualify if the vehicles were imported directly from Germany.

3. How can I tell if my vehicle is duty free or duty paid?

If you have a current C104A then this will be an indicator that the vehicle is duty free.

Also, if you go to your Cyprus Log book, line (X.1) and you see wordings as below:

IX.1 Τελωνιακός Δασμός	ΠΛΗΡΗΣ ΑΠΑΛΛΑΓΗ
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4. How can I tell if my vehicle is VAT paid in another member state?

Nearly all the vehicles that qualify would have been registered in the UK. If you have a copy of the original UK V5 log book, then this will be considered evidence of VAT paid. If the vehicle was registered in the UK for more than 6 months prior to shipment to Cyprus, then it would almost certainly be VAT paid.

5. What if I do not have a copy of the original log book?

It is possible that the Republic of Cyprus Custom office will have a record of the vehicle's tax status. If in doubt contact the Fiscal Office as described below.

6. Does it have to be me that imported the car.

No, the tax status of the vehicle will not change if you were not the original importer.

7. Why should I convert my vehicle to tax paid?

You will be able to sell the vehicle to a non-entitled person without the payment of tax and duties. Any vehicle registered as tax paid prior to 31 December 2020 will continue to be considered as tax paid after this date.

Any other qualified driver can drive the vehicle subject to the correct insurance without permission from the Fiscal Office.

8. How long do I have to convert the vehicle?

At the end of the EU exit implementation period, 31 December 2020, you will no longer be able to convert the vehicle to tax paid without the payment of 10% import duty and 19% VAT on the value of the vehicle. It is therefore strongly advised that you convert your vehicle to tax paid as soon as possible.

9. How do I convert my vehicle to tax paid?

The rules have recently changed, and you now require the services of a clearing agent. It is up to you to decide which company you want to choose to convert your vehicle. However, you can follow the procedure below if you choose, where the Fiscal Office will arrange for the conversion of your vehicle.

The procedure:

a) Please scan or take a smartphone photo of the following documents.

Document	What is this?
C104A	This was the document you were issued with to allow you to own the vehicle tax and duty free in Cyprus
V5	This is the UK log book that was issued when the vehicle was registered in the UK. If the vehicle was registered as tax paid in another member state, then the registration document for that member state will do.
Republic of Cyprus log book	This will be the log book that was issued to you when you either imported or purchased the vehicle in Cyprus.
Evidence that the road tax has been paid	You can get a print out from your JCC smart account.
Evidence that the vehicle is insured.	A current valid vehicle insurance document is required.
Evidence that the vehicle has valid MOT.	A current valid MOT certificate is required.
Valid Driver's Licence (both sides)	A current valid Driver's Licence is required.
MOD 90 ID or Passport	Proof of ID

b) You should then email the documents to this email address:

SBAA-FiscalGpMailbox@mod.gov.uk

with the subject heading:

yyyyymmdd-vehicle tax paid conversion-your surname

- c) Custom Officers will assess the eligibility of the vehicle and if it qualifies you will be invited to the Fiscal Office by appointment.
- d) You will present the original documents and will be asked to sign an authority to appoint an agent.
- e) You will be asked for a fee of €15 per vehicle. This is to cover the cost of revenue stamps, the administration costs of the customs and registration procedures.
- f) Once the process has been completed you will be issued with a new Republic of Cyprus log book showing the vehicle to be tax paid.

What is the procedure for converting a tax free vehicle to tax paid where the VAT has not been paid?

A notice shall be issued shortly advising vehicle owners of this procedure.

Neil Furber
Senior Revenue Officer
18 May 2020