
VALUE ADDED TAX ORDINANCE 2008

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Legislation incorporated in this Consolidation	Ordinance	Date in Force
Value Added Tax Ordinance 2008	14/2008	04/08/2008
Value Added Tax (Amendment) Ordinance 2010	06/2010	10/03/2010
Value Added Tax (Amendment) Ordinance 2020	52/2020	01/01/2021

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VALUE ADDED TAX ORDINANCE 2008

An Ordinance to make provision for the application in the Sovereign Base Areas of certain legislation made by the Republic of Cyprus in relation to Value Added Tax and related matters

Be it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:-

Short Title

1. This Ordinance may be cited as the Value Added Tax Ordinance 2008.

Interpretation

- 2.—(1) In this Ordinance—

“contractors” has the same meaning as in Annex B Part I of the Treaty of Establishment; (a)

“VAT” has the same meaning as value added tax in a VAT law;

“sutlers”, “authorised service organisations”, “United Kingdom authorities”, “United Kingdom personnel” and “dependent” all have the same meaning as in Annex B Part I of the Treaty of Establishment;

“VAT law” means a law of the Republic which is listed in Schedule 1;

~~*“officer of the Republic” means—*~~

~~*(a) a person who, whether or not a member of the public service of the Republic, or*~~

~~*(b) any body of persons which, whether or not it is an official body and whether or not it is incorporated,*~~

~~*has any powers conferred, or any duties imposed upon them, of a public nature by or under any VAT law; (b)*~~

~~*“officer of the areas” means a person, other than an officer of the Republic, authorised by the Fiscal Officer to exercise any powers or perform any duties under section 5(5). (c)*~~

- (2) Any reference to a VAT law includes—

- (a) any amendment made to such a law (whether enacted before or after this Ordinance);

- (b) any public instrument made under such a law (whether made before or after this Ordinance);

- (c) any public instrument made under a public instrument described in paragraph (b) (whether made before or after this Ordinance).

- (3) Any reference to a provision of the Areas and a provision of the Republic corresponding one to the other is to be construed as a reference to provisions of the Areas and of the Republic respectively whose effects are similar or substantially similar.

General Application

3.—(1) Subject to subsections (3) and (5), all rights, powers, liabilities, obligations and restrictions from time to time created or arising in the Republic by or under any VAT law and all remedies and procedures from time to time provided for by or under such a law are, subject to necessary adaptation and so far as possible, to be applied and have effect in law in the Areas.

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- (a) Definition inserted by Ordinance 6/2010 – came into force on 10 March 2010
(b) Definition repealed by Ordinance 52/2020 – came into force on 01 January 2021
(c) Definition repealed by Ordinance 52/2020 – came into force on 01 January 2021

~~(2) Except as provided for in subsection (4) or if the Chief Officer by Order to be published in the Gazette otherwise directs, a VAT law only takes effect in the Areas in accordance with subsection (1) after the expiry of 60 days from the date on which that law or any provision of that law came into force in the Republic. (a)~~

(3) Subsection (1) does not apply to any power conferred or duty imposed by a VAT law which permits or requires a person or body to make a public instrument of any kind.

(4) Any provision of a VAT law that affects liability to VAT takes effect in the Areas in accordance with subsection (1) on the date on which that provision came into force in the Republic.

~~(5) The Value Added Tax (Special Reliefs) Regulations 2004 of the Republic and any public instrument that may amend or replace them do not apply to the importation of goods by, or the supply of goods and services to United Kingdom authorities and United Kingdom personnel and Schedule 2 applies instead. (b)~~

(5) The application of a VAT law to United Kingdom authorities, United Kingdom personnel, authorised service organisations and contractors is subject to Schedule 2.

(6) A VAT law which is given effect to in the Areas by virtue of subsection (1) is to be treated for all purposes as if it is subordinate legislation made under this Ordinance.

Modifications and adaptations

4.—(1) The application of a VAT law in the Areas is, unless the context otherwise requires, subject to the following—

- (a) where a VAT law is repealed or revoked but is not replaced by the Republic it ceases to have effect in the Areas;
- (b) where a VAT law is repealed and replaced by the Republic with another law, ~~the VAT law included in Schedule 1 continues to have effect in the Areas that new VAT law will have effect in the Areas;~~ (c)
- (c) where a provision of a VAT law contains a reference to any other Republican legislation, then—
 - (i) if there is a provision of the Areas (including a provision which has effect in accordance with section 3) corresponding to that other Republican provision, the reference is to be construed as a reference to the corresponding provision of the Areas;
 - (ii) in any other case, the provision of the VAT law containing that reference does not have effect in the Areas;
- (d) where a provision of a VAT law refers to the import or export of any item, this does not apply to any movement of that item between the Republic and the Areas.

(2) The application of a VAT law in the Areas is, unless the context otherwise requires, subject to the following interpretations notwithstanding anything to the contrary contained in a VAT law—

- (a) a reference to a Court is to be construed as the Resident Judge's Court or the Senior Judges' Court as appropriate;
- (b) a reference to the Republic is to be construed as a reference to the Areas;
- (c) a reference to a member State is to be construed as a reference to a member State of the European Union excluding the Republic of Cyprus;
- (d) a reference to a third country is to be construed as a country or territory other than the Areas, the Republic or a member State of the European Union, but includes any other

(a) Repealed by Ordinance 52/2020 – came into force on 01 January 2021

(b) Section 5 repealed and replaced by Ordinance 6/2010 – came into force on 10 March 2010

(c) Text deleted and new text inserted by Ordinance 52/2020 – came into force on 01 January 2021

part of the Island of Cyprus not under the effective control of the Republic or the Administration.

- (e) a reference to a foreign company is to be construed as not including a company that is registered in the Republic or in the Areas.

(3) The Administrator may by order to be published in the Gazette provide for the application of a VAT law in the Areas to be subject to such additional exceptions, adaptations or modifications, from such date as may be specified in the order, as the Administrator may consider expedient in the circumstances.

(4) Without prejudice to the generality of subsection (3), the Administrator may by order provide for a VAT law to cease to have effect in the Areas from such date as may be specified in the order.

Powers and duties

~~5.—(1) Any power conferred or duty imposed on an officer of the Republic under a VAT law is deemed to be conferred or, as the case may be, imposed on the Fiscal Officer save that any power conferred or duty imposed on the Minister of Finance is deemed to be conferred or, as the case may be, imposed on the Chief Officer.~~

~~(2) Any power conferred or duty imposed on the Fiscal Officer or the Chief Officer by virtue of subsection (1) is a modified delegated function for the purposes of the Delegation of Functions to the Republic Ordinance 2007(a) and these are the modifications:~~

- ~~(a) section 20 (Establishment of bodies) of the Delegation of Functions to the Republic Ordinance 2007 does not apply;~~
- ~~(b) section 18(c) (prohibition on compounding any offence) of the Delegation of Functions to the Republic Ordinance 2007 does not apply;~~
- ~~(c) section 17 (Police and customs officers) of the Delegation of Functions to the Republic Ordinance 2007 does not apply so far as members of any customs department of the Republic are concerned.~~

~~(3) The functions delegated in accordance with subsection (2) are general delegated functions for the purposes of the Delegation of Functions to the Republic Ordinance 2007 except for the following which are qualified delegated functions—~~

- ~~(a) Any power of entry, search or seizure;~~
- ~~(b) Any power conferred or duty imposed in relation to the compounding of offences.~~

~~(4) Subsection (2) does not apply to any function carried out in relation to sutlers, authorised service organisations or any business owned by the United Kingdom authorities or by a dependent of United Kingdom personnel.~~

~~(5) Without prejudice to subsection (2), the Fiscal Officer may authorise any officer of the Areas to perform any duty imposed or exercise any power conferred by a VAT law subject to such restrictions or conditions as the Fiscal Officer may specify.~~

5.—(1) A function conferred on an officer of the Republic under a VAT law is—

- (a) a conferred function for the purposes of the Conferral of Functions on the Republic Ordinance 2020 (“the Conferral Ordinance”)(b); and*
- (b) is exercisable by an officer of the Republic only if provided for by the Conferral Ordinance.*

(2) To the extent that section 5 of the Conferral Ordinance prevents a function referred to in subsection (1) from being exercised by an officer of the Republic, that function is exercisable by the Chief Officer. (c)

(a) Ordinance 17/2007

(b) Ordinance 46/2020.

(c) Section 5 repealed and replaced by Ordinance 52/2020 – came into force on 01 January 2021

Legal Proceedings

6. A court of the Areas may take judicial notice of a law of the Republic and of any other Republican document of any description granted or otherwise made under a law of the Republic in which case section 23(2) to (4) of the Delegation of Functions to the Republic Ordinance 2007 applies to such a law or document.

Application to the Crown

7.—(1) This Ordinance does not bind the Crown or a person employed by or in the service of the Crown while discharging duties except insofar as its provisions expressly impose duties or confer powers on the Fiscal Officer or the Chief Officer.

(2) For the purposes of this section, “the Crown” means Her Majesty in right of Her Government in the United Kingdom and in right of Her Administration in the Areas.

Repeal

8.—(1) The Value Added Tax Ordinance 2001(a), and all public instruments made under it or under the Ordinance repealed by it are repealed or, as the case may be, revoked.

(2) Any licence or certificate, of whatever nature, issued in accordance with the repealed Ordinance and the revoked public instruments are to be treated for all purposes as if they were issued under the corresponding VAT law or under Schedule 2 as appropriate.

(a) Ordinance 10/2001

SCHEDULE 1

(Section 2)

Value Added Tax Law 2000 (No. 95(I)/2000)

SCHEDULE 2

(Section 3)

1. The importation of goods by, or the supply of goods or services to, United Kingdom authorities, *authorised service organisations, contractor* (a) and United Kingdom personnel is to be treated as if it were a zero-rated supply in respect of the following descriptions of transactions and accordingly VAT is not payable (if it otherwise would be)—

- (a) the importation of goods by, or the supply of goods or services to, United Kingdom authorities, being goods or services intended for use by them, or for supplying their canteens or messes;
- (b) a supply by a person taxable in another member State of the European Union of goods or services to United Kingdom authorities, being goods or services intended for use by them, or for supplying their canteens or messes;
- (c) the importation of goods by United Kingdom personnel at the time of first arrival to take up service in the Areas or in the Republic;
- (d) the importation of a private motor vehicle by United Kingdom personnel for the personal use of themselves and their dependents.
- (e) *the importation of goods by, or the supply of goods or services to, authorised service organisations, being goods or services intended for their exclusive use in connection with their official activities;* (b)
- (f) *the importation of equipment and goods necessary for the operation of that equipment by contractors engaged in the execution of a project on behalf of United Kingdom authorities, being equipment and goods for use exclusively on that project.*

2.—(1) Relief from the payment of VAT is subject to the following conditions—

- (a) there must be a written authorisation from the Fiscal Officer before the delivery of any goods in respect of whose supply payment of VAT will be relieved;
- (b) if the Fiscal Officer authorises the supply of goods as provided for in paragraph (a), but subsequently revokes the relief, the person for whose benefit relief was given must immediately pay the VAT, at the rate then in force, or if a lower rate of VAT was in force when the relief was given, the amount payable must be determined by reference to that lower rate;
- (c) if relief is given and subsequently the Fiscal Officer is not satisfied that any condition (whether or not imposed under this Schedule) attaching to such relief has been complied with, then unless the Fiscal Officer has permitted the non-compliance in writing, the VAT whose payment had been relieved is due and payable immediately and any goods in relation to which the relief was afforded are liable to forfeiture.

(2) If relief is given, but an amount subsequently becomes payable under paragraph (1)(c), the following persons are jointly and severally liable to pay that amount—

- (a) the person for whose benefit the relief was given;
- (b) any person who, at or after the time of non-compliance with the condition which caused the VAT to become payable, has the goods in his possession or is using the services.

(a) Text inserted by Ordinance 6/2010 – came into force on 10 March 2010

(b) Subparagraphs (e) and (f) inserted by Ordinance 6/2010 – came into force on 10 March 2010

3.—(1) Relief from the payment of VAT may be allowed in respect of goods subject to excise duty in a transaction described in paragraph 1(b) only if the supplier of the goods holds an excise duty exemption certificate as provided for in Commission Regulation (EC) No 31/96 of 10 January 1996^(a) stamped by the Fiscal Officer.

(2) Relief from the payment of VAT in respect of a transaction described in paragraph 1(a) may be given only if the recipient of the supply of goods or services holds a document issued by the Fiscal Officer authorising the relief and describing the purpose for which the goods or services concerned are to be used.

4. The Fiscal Officer may by notice published in the Gazette specify further details or impose further conditions on, or in respect of the procedure and method for, relief from payment of VAT under this Schedule

^(a) Commission Regulation (EC) No. 31/1996 of 10 January 1996 on the excise duty exemption certificate