

Cars



Cars from member states of the European Union - Under relief from excise duties and VAT

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1. What is relief

It is the customs regime whereby goods are placed in free circulation and home use with partial or total relief from excise duties, notwithstanding their tariff classification, provided they are transferred in Cyprus under certain conditions and for specific purposes. A legal provision specifying a relief is a prerequisite for granting it.

Reliefs are granted for a number of goods for various reasons. This part refers only to reliefs on private motor vehicles which are of interest to the public when brought from European Union (EU) member states.

2. Community status of vehicle

Goods in free circulation in the EU move from one member state to another without payment of further Customs import duty. To be exempt from paying further import duty in Cyprus, proof of Community status of the goods must be provided. If you are transferring to Cyprus a vehicle for private use from another member state, you may prove its Community status by producing:-

- for a brand new or used vehicle, T2L or T2LF document; or
- for used vehicles, the number plates and the vehicle registration document issued by previous member state.

The T2L or T2LF document can be obtained from the previous member state Customs Service or through your vehicle supplier or the shipper

In case of failure to provide above mentioned proof of vehicle's Community status, the importation will be classed as having arrived from a third country and the vehicle will be liable to import duty in addition to the excise duty and VAT.

3. Transfer of normal residence

If you are resident in another member state of the EU and you have decided to

transfer your normal residence to Cyprus, under certain conditions you are entitled to transfer your personal property without having to pay excise duty and VAT. You will find all the information in the Guide to Customs Procedures titled "[Transfer of normal residence](#)".

If part of your personal property is a motor vehicle, you are required to declare it to the nearest Customs Station within 24 hours from the date of its arrival. If a public holiday or weekend follows the date of arrival, you must make the declaration on the first working day after the expiration of the 24 hours deadline.

In order not to be deprived of your vehicle until you make an application for relief and receive an answer, you may be allowed to drive the vehicle temporarily under Form C.104. A copy of Form C.104 will be given to you by Customs and you must keep it in the vehicle all the time and produce it to a Customs or Police Officer if so requested.

You may submit your application for relief to any Customs Office or to Customs Headquarters. If you get a positive answer, the procedure is not terminated there. You will have to complete form SAD. If you cannot complete it on your own, you may use the services of a clearing agent. You may submit your SAD at any Regional Customs Office, accompanied by Form C.104, which will be kept by Customs. You will not pay excise duty or VAT.

Customs will issue Form C72A and a copy will be given to you. The vehicle must be then produced, together with Form C72A and other documents relating to your vehicle, to the Inland Transport Department for inspection and registration purposes.

If you get a negative answer from Customs because you do not meet the criteria for being granted a relief for the vehicle, you have the following options:

- to pay the excise duty and VAT (if the latter is payable);
- to place it in a customs warehouse;
- to send it to another member state of the EU; or
- to export it to a third country.

For more information on payment of excise duty and VAT, please visit [relevant page](#).

4. Cypriots coming to Cyprus to resume or take up permanent residence

4.1. Legal provisions

Sub-section 16(A), (B) and (C) of item P of the Schedule to the Customs and Excise Duties (Reliefs on Import of Goods) Regulations of 2004, P.I.380/2004.

4.2. Entitled persons

Under the conditions laid down below, you are entitled to relief from excise duties if you are: -

A. a citizen of the Republic and, during the last twelve years preceding your arrival in Cyprus, you have worked abroad for a total period of at least ten years;

B. a Cypriot returning to resume permanent residence in Cyprus, after permanent residence abroad for a continuous period of at least the last ten years prior to your arrival;

C. a person of Cypriot origin in the male line, arriving to take up permanent residence in Cyprus after permanent residence abroad for a continuous period of at least the last ten years prior to your arrival.

4.3. What you are entitled to

You are entitled to apply for relief on new or used “saloon” type motor vehicles, “station-wagons”, “Jeep” type vehicles and mini-buses capable of carrying up to nine persons, as provided by the customs legislation. You are not entitled to apply for motorcycles or other types of motor vehicles.

4.4. Extent of relief

If you fall under categories A and B, you will be granted relief from excise duty not exceeding £7.000, and if you fall under category C, you will be granted relief from excise duty not exceeding £3.000. This means that if the excise duty exceeds £7.000 or £3.000, as the case may be, you will have to pay the difference.

If you have applied for relief on a new vehicle, you will have to pay the VAT. If however the vehicle is used, for which VAT has been paid in another member state of the EU and which has not been refunded as a result of the transfer of the vehicle from that member state, you will not be required to pay VAT.

4.5. Prerequisites for granting the relief

In all cases, the motor vehicle must be imported into Cyprus within one year from the date of your arrival to take up permanent residence in Cyprus.

Relief is restricted to only one motor vehicle per family. Family is taken to mean the spouse and dependent children. Independent children may apply in their own right

4.6. Procedure for granting the relief

Relief is granted on a claim for relief made by you personally, on arrival from abroad to take up permanent residence in Cyprus. If you fall under category A or B or C, you must submit application [P16A](#), [P16B](#) or [P16C](#) respectively. The claim must be submitted to the Relief Section of Customs Headquarters in Nicosia and be accompanied by the following evidence:

- passports of yourself and your family proving your 10-year stay abroad before you arrive to take up permanent residence in Cyprus, and photocopies of the first pages which show the particulars of the holder and of those pages having stamps of entry and exit from ports and airports;
- your university degree(s), where applicable;
- marriage certificate, where applicable;
- purchase or lease agreement of a house in Cyprus;
- documents showing the importation of household effects in Cyprus;
- details of any other vehicle you or any other member of your family may possess;
- your driving licence (of Cyprus or of the country you are coming from).

In case you do not have passports for part of the 10-year period, you may produce other official documents which prove your permanent and continuous stay abroad (e.g. income tax returns, social insurance records, children’s school attendance certificates, medical records and other relevant documents, as the case may be).

If you get a positive answer, the procedure is not terminated there. You will have to complete form SAD. If you cannot complete it on your own, you may use the services of a clearing agent. You may produce your SAD at any Regional Customs Office. Customs will issue Form C72A and a copy will be given to you. The vehicle must be

then produced, together with Form C72A and other documents relating to your vehicle, to the Inland Transport Department for inspection and registration purposes.

4.7. Conditions to be observed after importation

You shall not sell, lend, pledge, rent, export, transfer or dispose off it otherwise without the prior approval of the Director of Customs.

Persons entitled to drive the vehicle, in addition to you, are your spouse and children who live in the same town, suburb or community where you live, as long as they live permanently in Cyprus.

If you decide to dispose off the vehicle on which relief was granted you will be required to pay the excise duty. For payment of excise duty, please visit the relevant [page](#).

In case of death of the person entitled to the relief, the deeds of the vehicle are transferred to the living spouse without any liabilities to Customs.

Any infringement of the aforesaid conditions constitutes an unlawful act and carries severe penalties.

5. Aliens residing permanently in Cyprus

5.1. Legal provisions

Sub-section 17 of item P of the Schedule to the Customs and Excise Duties (Reliefs on Import of Goods) Regulations of 2004, P.I.380/2004.

5.2. Entitled persons

Under the conditions laid down below, you are entitled to relief from excise duty if you are an alien national having taken up permanent residence in Cyprus without exercising a profession or occupation of any sort.

5.3. What you are entitled to

You are entitled to apply for relief on new or used “saloon” type motor vehicles, “station-wagons”, “Jeep” type vehicles and mini-buses capable of carrying up to nine persons, as provided by the customs legislation. You are not entitled to apply for motorcycles or other types of motor vehicles.

5.4. Extent of relief

Relief is granted on the whole amount of excise duty for one vehicle per person.

If you have claimed relief on a new vehicle, you will have to pay VAT. If however the vehicle is used and VAT on it has been paid in another member state of the EU and has not been refunded because of its transfer from that state, you will not have to pay VAT.

5.5. Prerequisites for granting of relief

Relief will be granted if: -

- you have taken up residence in Cyprus and do not exercise a profession or

- o occupation of any sort;
- o none of the members of your family shall be engaged in any type of work in Cyprus;
- o the vehicle shall be transferred to Cyprus within a reasonable time period from the approval of the application.

5.6. Procedure for granting of relief

Relief is granted on a claim for relief made by you personally by completing [Form P17](#), on arrival from abroad to take up permanent residence in Cyprus. The claim must be submitted to the Relief Section of Customs Headquarters in Nicosia and be accompanied by the following evidence:

- o passports of yourself and of your spouse;
- o evidence of the place of stay (purchase or lease agreement of a house in Cyprus, permission to purchase immovable property within Cyprus);
- o certificate of registration as an alien;
- o residence permit from the Immigration Officer;
- o your driving licence (of Cyprus or of the country you are coming from);
- o documentary evidence that you are financially independent and that you receive an income from abroad (e.g. bank statements, pension payment certificates, etc.).

If you get a positive answer, the procedure is not terminated there. You will have to complete form SAD. If you cannot complete it on your own, you may use the services of a clearing agent. You may produce your SAD at any Regional Customs Office. Customs will issue Form C72A and a copy will be give to you. The vehicle must be then produced, together with Form C72A and other documents relating to your vehicle, to the Inland Transport Department for inspection and registration purposes.

5.7. Conditions to be observed after importation

You shall not sell, lend, pledge, rent, export, transfer or dispose off it otherwise without the prior approval of the Director of Customs.

Persons entitled to drive the vehicle, in addition to you, are your spouse and dependants.

The duty-free replacement of the vehicle is permitted on condition that you continue to reside in Cyprus and you have disposed off the duty-free vehicle previously placed in free circulation and use under relief. If you decide to dispose off the vehicle on which relief was granted you will be required to pay the excise duty. For payment of excise duty, please relevant [page](#).

Any infringement of the aforesaid conditions constitutes an unlawful act and carries severe penalties.

6. Families with more than three children

6.1. Legal provisions

Sub-section 14 of item P of the Schedule to the Customs and Excise Duties (Reliefs on Import of Goods) Regulations of 2004, P.I.380/2004.

6.2. Entitled persons

Under the conditions laid down below, you are entitled to relief from excise duty if you are a citizen of the Republic with four or more dependant children and you have not received any subsidy from the State for the purchase of vehicle.

A child is considered dependent if that child is:

- below the age of 18;
- over 18 years old and is a student of secondary or tertiary education in Cyprus or abroad;
- over 18 years old and is in the National Guard doing his service;
- of any age and unmarried and invalid and who has not exercised his/her right to apply for a duty-free vehicle or has not been given financial assistance by the State to purchase a vehicle.

6.3. What you are entitled to

You are entitled to apply for relief from excise duty on new or used passenger motor vehicles, which can transport from eleven to twelve persons including the driver. Instead of claiming relief however, you may apply to the Ministry of Finance for a special subsidy for the purchase of motor vehicle.

6.4. Prerequisites for granting of relief

Relief is granted for one vehicle only, to be driven solely by the entitled person. The replacement of one excise free vehicle with another excise free vehicle is not allowed.

6.5. Procedure for granting of relief

Relief is granted on a claim for relief made by you personally (there is no specific form). The claim must be submitted to the Relief Section of Customs Headquarters in Nicosia and be accompanied by the following evidence:

- marriage certificate;
- your children's birth certificates;
- documentary evidence for dependant children over 18 years old;
- "Association of Families of over three children" membership card;
- Cypriot driving licence.

If you get a positive answer, the procedure is not terminated there. You will have to complete form SAD. If you cannot complete it on your own, you may use the services of a clearing agent. You may produce your SAD at any Regional Customs Office. Customs will issue Form C72A and a copy will be give to you. The vehicle must be then produced, together with Form C72A and other documents relating to your vehicle, to the Inland Transport Department for inspection and registration purposes.

6.6. Conditions to be observed after importation

You shall not sell, lend, pledge, rent, export, transfer or dispose off it otherwise without the prior approval of the Director of Customs.

Any infringement of the aforesaid conditions constitutes an unlawful act and carries

severe penalties

7. Information

For more information, you may write to the following address:

The Director,
Department of Customs and Excise
Corner M. Karaoli & Gr. Afxentiou, 1096, Nicosia

Fax no 22302031

E-mail; headquarters@customs.mof.gov.cy

For oral inquiries you may call any of the following telephone numbers of the Relief Section at Customs Headquarters: 22601657 and 22601658.

