

**Ministry of Finance
Grants and Benefits Service
VAT Refund Scheme**

**Special Grant for Purchasing or Building a Residence,
Law N.91(I)/2006**

The special grant is given to persons who purchase or erect a new building which is being used as their main and permanent residence provided that:

- the application for acquiring building permission/license for the building has been submitted to the relative responsible authority **after** the 1.5.2004
- the building is new and used for the first time
- the total size of the covered areas of the residence does not exceed 250 square meters, excluding:
 - Up to 5m² engine/boiler room
 - Up to 7m² storerooms
 - Up to 36m² covered parking
 - Up to 40m² covered verandas

(For families with four or more children the limit of the total area of the property extends to additional 15m² for every child after the third.)

Eligibility criteria

The applicant must be a person aged 18 years and above, being a Cypriot citizen or a citizen of a member state of the European Union who is permanently residing in the Republic of Cyprus and has no other property in Cyprus that is used as a permanent residence.

Calculation of the grant

The amount of the grant depends on the type and size of the residence, and it is calculated to area up to 130m².

Examples

property type	amount up to 130 sqm
building in own plot	€10131.13
purchase of flat up to 2 bedrooms	€19,249.28
purchase of flat 3+ bedrooms	€17,729.63
purchase of detached house	€20,262.38
purchase of semi-detached house	€15,196.87

The special grant is subject to annual increments according to inflation rates.

The VAT refund is calculated by taking the area of the house/apartment, multiplied by the purchase price per m² multiplied by Value Added Tax rate of 15/115 and multiplied by the 10/15 refund rate.

Limitations

Upon receipt of the grant the beneficiary is obliged to use the property as his/her main and permanent residence for a ten-year period.

If the beneficiary ceases to use the residence as his/her main and permanent home before the expiry of the ten year period, he/she is obliged by law to promptly inform the Ministry of Finance and to return proportion of the grant. This condition, however, is not applied when transferring the ownership of the property to children or in case of death of the beneficiary.

In case the beneficiary decides to buy or build a new residence before the expiry of the ten-year period he/she may apply again for the special grant. By being approved he/she will be able to set off with the amount of the grant eligible to receive for the new property.

How to claim

An application form must be submitted, accompanied by the relevant documentation:

- documents that verify the size and type of the property (architect's certificate) and the date of submission of the application for building permission (true copy of the application for building permission/ copy of the building permission)
- proof of purchase, e.g. sales agreement and copy of payments/receipts
- proof of using the property, i.e. utility bills, statements etc.
- proof of permanent residence in Cyprus, i.e. copy of residence permit, social insurance contributions/ employment contract or certificate (if employed in the Republic), copy of any official document or correspondence which is used for tax, pension or health services purposes and shows that your address of permanent residence is in Cyprus.

Application forms can be provided and submitted to the following offices

Larnaca Tel: 24 801818 Fax: 24 304635

Paphos Tel: 26 801 101 Fax: 26 306 251

Limassol Tel: 25 829129

The Citizen Service Centre, which is located near the Old Port.

Nicosia - From one of the following:

Tel: 22 450190 for further information.

The applications can be posted to:

**Permanent Secretary
Ministry of Finance
Grants and Benefits Service
1489 Nicosia**

Application forms are also available in the Ministry of Finance's website: www.mof.gov.cy

How long does it take

Provided that the application is complete the whole process takes up to three months.