



VAT update: 0% VAT introduced on selected basic food items

The Cyprus Tax Department has announced the introduction of a 0% VAT rate on selected basic food items, following the publication of Decree K.D.P. 354/2026 in the Official Gazette of the Republic on 30 September 2026.

Meat and fish – 0% VAT from 1 October 2026

Meat

The 0% VAT rate applies to:

- Beef & Pork
- Sheep and goat meat
- Edible offal of bovine, porcine, sheep and goat origin
- Poultry meat and edible offal
- Rabbit and hare meat

Important: Meat preparations, including marinated meat, smoked meat, sheftalies, burgers, chicken nuggets, sausages, lountza, roasts, gyros, polypeef and similar products, continue to be subject to the reduced VAT rate of 5%.

Fish

The 0% VAT rate applies to:

- Fresh, chilled or frozen fish
- Cuttlefish, squid and octopus

Fish preparations, including canned fish, smoked fish, marinated fish and breaded fish, continue to be subject to VAT at 5%.

Bread, milk, coffee, sugar and children's food – 0% VAT from 12 October 2026



Bread

All types of fresh or frozen bread, with or without yeast, including white, brown, wholemeal, multigrain, village bread, rye bread, cornbread, baguettes, ciabatta, sliced bread, bread rolls and pitta bread.

The measure does not cover bakery products, dried products or bread containing additional ingredients such as raisins, nuts or flavourings.

Milk

The 0% VAT rate applies to fresh milk, including cow's, goat's and sheep's milk, as well as sweetened, condensed, long-life, flavoured and plant-based milk, such as almond, soya and rice milk.

Coffee

The measure covers unroasted and roasted coffee, coffee beans, ground coffee, instant coffee and flavoured coffee, with or without caffeine, in any packaging. Ready-to-drink beverages or drinks made from coffee, whether consumed hot or cold, are not included.

Sugar

The 0% VAT rate applies to crystal sugar, including white, brown and black sugar, as well as icing sugar, coarse sugar, sugar cubes and sachets.

Children's food

The measure covers children's food in powdered, dry and/or liquid form intended for consumption by children. It does not include snacks such as crisps, nuts, confectionery, chocolate, ice cream and yoghurts.

Key dates at a glance

Category	0% VAT applicable from	0% VAT applicable until
Meat	1 October 2026	31 May 2027
Fish	1 October 2026	31 May 2027
Bread	12 October 2026	31 May 2027
Milk	12 October 2026	31 May 2027
Coffee	12 October 2026	31 May 2027
Sugar	12 October 2026	31 May 2027
Children's food	12 October 2026	31 May 2027



What businesses should consider

Businesses supplying the affected products should review their VAT treatment, product classifications, pricing and invoicing systems to ensure that the applicable VAT rate is correctly applied from the relevant effective date.

Particular attention should be given to products that may appear similar but remain subject to the 5% reduced VAT rate, such as certain meat and fish preparations, bakery products and ready-to-drink coffee beverages.

How can we assist?

Our Accounting Team can assist businesses in:

- reviewing the VAT treatment of affected products,
- assessing the applicability of the 0% and 5% VAT rates, and
- ensuring that pricing, invoicing and VAT systems are updated in line with the new requirements.

For further information or assistance, please contact our Accounting Team.