



0% VAT on selected basic items extended until 31 December 2027

The Cyprus Tax Department has announced the extension of the 0% VAT rate on selected basic items from 1 January to 31 December 2027, following the issuance of Cabinet Decree K.D.P. 362/2026 on 16/10/2026.

The extension aims to maintain the reduced VAT burden on essential goods and continues the application of the zero VAT rate to the following categories of products.

1. Baby milk

The 0% VAT rate applies to baby milk in liquid and powdered form.

2. Baby and adult diapers

The zero VAT rate will continue to apply to baby diapers and adult diapers, including incontinence pads.

3. Feminine hygiene products

The 0% VAT rate applies to tampons and sanitary pads.

4. Fresh or chilled vegetables

The 0% VAT rate applies to the following fresh or chilled vegetables:

- Potatoes
- Tomatoes
- Onions, shallots, garlic, leeks and similar vegetables
- Cabbages, cauliflower, broccoli, kale and kohlrabi
- Lettuce and chicory
- Carrots, turnips, beetroot, salsify, celeriac, radishes and similar edible roots
- Cucumbers and gherkins
- Leguminous vegetables, with or without pods, such as peas and beans
- Aubergines, celery, mushrooms, peppers, spinach, artichokes, unprepared olives, pumpkins, courgettes, salad vegetables other than lettuce, including coriander, parsley, purslane, rocket and cabbages, capers and fennel



5. Fresh fruit

The measure also covers the following fresh fruits:

- Bananas
- Figs and avocados
- Citrus fruits, including oranges, mandarins, clementines, pomelos, grapefruits, lemons and limes
- Grapes
- Melons and watermelons
- Apples and pears
- Apricots, peaches, cherries, nectarines and plums
- Strawberries and kiwifruit

Important: The 0% VAT rate applies to the specific products covered by the Decree. Businesses should refer to the relevant product classifications when determining whether a particular item qualifies for the 0% VAT rate.

What businesses should consider

Businesses supplying the affected products should review their VAT treatment, product classifications, pricing and invoicing systems to ensure that the 0% VAT rate is correctly applied from 1 January 2027.

The product descriptions and classifications specified in the Decree should be checked to confirm whether individual items qualify for the 0% VAT rate.

How can we assist?

Our Accounting Team can assist businesses in:

- reviewing the VAT treatment of affected products,
- assessing the applicability of the 0% VAT rate based on the relevant product classifications, 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 and VAT team

Address: 13 Kypranoros Str, Ground Floor, 1061, Nicosia, Cyprus

Phone: + 357 22 510 057

Fax: + 357 22 511 157

Email: spl.accounting@splcy.com

Website: www.splcy.com

