



## End of 5% VAT for hotels and restaurants

***Limassol* - The reduction of the VAT rate from 9% to 5% for hotel accommodation, restaurant and catering services and passenger transport expired on 10 January 2021.**

As of yesterday, 11 January, these services reverted back to their normal 9% VAT rate.

The reduced rate was introduced by the government on 1 July 2020 as part of its efforts to help curtail the adverse effects of the coronavirus pandemic on the local economy and especially the tourism and hospitality industries.

The rate applies to the following:

- Hotel, tourist and other similar accommodation;
- Restaurant and catering services;
- Transport of passengers and their accompanying luggage within the Republic with a taxi or a bus.

Download the relevant announcement from the Tax Department below:

[DOWNLOAD](#)

### Note:

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