



SBA CUSTOMS



BRITISH FORCES CYPRUS

DUTY-FREE GOODS
for
Personal Use

This notice is not law. It is SBA Customs's view of what the law says about tax-free goods for personal use and their eligibility with regard to relief from customs duty and tax. Nothing in this notice changes the law.

The information shown in this notice was up to date as at 1st November 2004.

If you need further help or advice or if you have any suggestions regarding the contents of this notice you may contact SBA Customs at the following locations:

**SBA Customs
RAF Akrotiri
Akrotiri
BFPO 57**

**Fiscal Office
HQ SBAA
Episkopi
BFPO 53**

**SBA Customs
Dhekelia
BFPO 58**

**Tel (2527) 6762
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1 DUTY- FREE GOODS

Entitlement to acquire tax-free goods is principally derived from the Treaty of Establishment, which allows for arrangements to provide for relief from tax on a limited range of goods from general suppliers. It also allows the NAAFI to trade free of tax. These entitlements have been retained following the accession of Cyprus to the EU by amendment of EU legislation. It is important to remember that the Sovereign Base Areas are treated as within the EU for customs purposes.

1.1 Who is eligible to buy goods tax free?

You may acquire tax-free goods provided that you:

- are a member of British Forces Cyprus, the civilian component or United Kingdom authorities; or
- are posted or attached to Cyprus for at least 3 months. (If you are in Cyprus for less than 3 months see Section 5)

You must notify SBA Customs immediately should you cease to meet both these requirements. Provided that you do meet these requirements you will be issued with a combined Entitlement/Ration card necessary for purchasing tax-free goods by your unit admin office.

1.2 What conditions and restrictions are placed on tax-free goods?

Relief from tax is granted subject to certain conditions. Failure to keep to these conditions may render you liable to penalties and the goods to forfeiture.

Your relief from tax is subject to the conditions that you:

- Do not lend, hire out, sell or otherwise dispose of them in Cyprus without permission from SBA Customs (See 1.4);
- Retain them for your own personal use for at least six-months;
- Notify SBA Customs of any change to your entitlement as detailed in paragraph 1.1.

If you find that you are unable to meet any of these conditions you should contact SBA Customs for further advice. Rationed goods are also subject to the conditions shown on the ration card (see Appendix A).

1.3 How do I acquire tax-free goods?

There are a number of schemes concerning tax-free goods:

- Supplies by the NAAFI (See section 2);
- Supplies by general VAT registered retailers (See section 3); and
- Supplies by retailers with access to bonded goods (See section 4).

1.4 Can I dispose of my tax-free goods in Cyprus?

Yes, provided you notify SBA Customs of your intention and provide any details that may be requested. You may dispose of your unwanted tax free goods in Cyprus without payment of tax:

- by sale to another entitled person; or
- for scrap by delivering the goods to the disposal site at RAF Akrotiri.

Duty-free goods may not be disposed of to non-entitled persons, without Customs permission and payment of customs charges.

Note: Customs charges due are payable by the owner of the goods prior to disposal by sale to a non-entitled person. You will need to take this into consideration when agreeing a sale price with any prospective buyer

1.5 Can I take my tax-free goods to the UK without paying tax?

You may take your tax-free goods to the UK at the end of your tour without payment of UK customs charges provided that you:

- have owned and used the goods in Cyprus for at least 28 days; and,
- retain the goods for a minimum of six months.

1.6 Can I take my tax-free rationed goods to the UK without paying tax?

Yes, you may take rationed goods such as cigarettes and alcohol to the UK, provided you accompany the goods and continue to comply with the conditions as shown in 1.2 above.

Note: UK Customs exercise their own controls on cigarettes and alcohol entering the UK. As a means of ensuring the goods are for personal use UK Customs have set an 'indicative amount'. If you carry goods in excess of this level you will be required to satisfy Customs of your intentions.

1.7 Can I send my tax-free rationed goods to the UK?

No, your ration is for your own use and can only be taken to the UK in person (See 1.6).

2 NAAFI

Goods supplied by the NAAFI are in the main all tax-free. This includes not only the rationed goods such as cigarettes and spirits, but also electrical household goods and other items normally subject to tax such as toiletries and sweets.

2.1 Who can shop in the NAAFI?

All entitled persons and their dependants can shop at the NAAFI. There is a requirement to produce identification on demand.

2.2 How do I buy rationed goods?

Rationed goods can be purchased on production of a ration card. This card is issued to all entitled persons on arrival by their unit admin office. A summary of the current ration and the conditions of use can be found at Appendix A.

2.3 How do I buy non-rationed goods in the NAAFI?

General grocery and low value household goods are not subject to rationing; however single items with a value in excess of £100 can only be acquired on production of a your Entitlement/Ration card.

3 VAT REGISTERED RETAILERS

Most businesses in Cyprus are registered for VAT in the same way as those in the UK. Cyprus VAT currently has three rates; a standard rate of 15% a reduced rate of 5% and a zero% rate. It should be noted that although the liability of goods to these rates is similar to the UK there are some notable exceptions. Children's clothing and books for example are not zero rated as in the UK. Hotel accommodation and restaurant meals on the other hand are subject to the reduced rate of 5%.

3.1 What goods can I acquire VAT free?

There is no general relief from VAT on new goods provided specifically by the Treaty of Establishment, however agreement has been obtained with the Republic of Cyprus and ratified in accordance with the Treaty to allow the supply of a limited range of goods VAT free. These goods in the main are household electrical items; a full list can be found at Appendix B.

3.2 How do I buy these goods VAT free?

To obtain VAT free goods from retailers you must give them a certificate of entitlement form V6E. This form can be obtained from your unit admin office. To obtain this form you will need to provide the following;

- Details of the goods including make and model and price;
- Suppliers name, address and VAT number; and;
- Your Entitlement/Ration card.

Note: For ease it is best to request from the supplier a pro-forma invoice or order. A copy can then be provided to your unit admin office to attach to the retained copy V6E.

3.3 What copies of the form are required?

V6E forms are supplied in sets of three,

- White top original for you to give to the retailer,
- Yellow second copy sent directly to SBA Customs by the issuing unit, and;
- Green third copy to be retained in the pad.

4 CUSTOMS BONDED RETAILERS

Some retailers supply goods from Customs bonded warehouses. These goods are free from import duty as well as VAT. It should be noted that there is no import duty on European Union goods, therefore bonded goods are mainly imported from non-EU countries. You should confirm with the retailer the status of the goods to confirm the method of tax relief.

4.1 What goods can I acquire Duty and VAT free?

As for VAT free goods you may only buy those goods as listed in Appendix B.

4.2 How do I buy these goods Duty and VAT free?

To obtain Duty and VAT free goods from retailers you must give him a certificate of entitlement form C6E. This form can be obtained from your unit admin office. To obtain this form you will need to provide the following;

- Details of the goods including make, model and price;
- Suppliers name, address ; and,
- Your Entitlement/Ration card.

Note: For ease it is best to request from the supplier a pro-forma invoice or order. A copy can then be provided to your unit admin office to attach to the retained copy C6E.

4.3 What copies of the form are required?

C6E forms are supplied in sets of three,

- White top original and Pink second copy for you to give to the retailer; and,
- Yellow third copy sent directly to SBA Customs by the issuing unit.

5. TRANSITEES

If you are posted or attached to British Forces Cyprus, the civilian component or UK authorities in the SBA for less than three months you are classed as a transitee. As such you will be issued with either a short-term transitee ration card or your unit may request a bulk issue of rationed goods.

5.1 Where do I get my transitee ration card?

These cards are obtainable directly from;

- SBA Customs for Episkopi or Dhekelia based personnel; or,
- Travel Cell, RAF Akrotiri for Akrotiri based personnel.

5.2 How do units obtain bulk issues?

As a general principle bulk issues are intended for units temporarily in Cyprus for training or other such purposes. These units may have limited access to the usual NAAFI outlets either due to time or location constraints. Such units are required to provide SBA Customs with a full nominal roll and details of the length of stay. They will then be issued with a bulk issue release note for presentation to NAAFI. Control procedures can be found in BFC Standing Order 44.

5.3 As a Transitee can I purchase non-rationed goods tax-free?

Yes, Transitees can shop in the NAAFI for general grocery and single items of value less than £100 on production of an entitled pass. For purchases of single items valued at more than £100 you will need to obtain a single item release note from SBA Customs.

INDIVIDUAL ENTITLED PERSON RATION

Combined NAAFI ration / entitlement cards are issued to each entitled person and their dependants over the age of 18.

1. Tobacco products
 - 200 cigarettes, or
 - 100 small cigars / cigarillos, or
 - 50 cigars, or
 - 250 grammes of tobacco
2. Spirits
 - 1 litre of spirit or liqueur spirit strength per volume exceeding 22%.

CONDITIONS

1. Any goods purchased using these cards are for the personal use of the card holder and his / her dependants.
2. Purchases of rationed items are restricted to a maximum of two weeks ration (i.e. current week and either a week in advance or arrears).
3. Purchases may only be made in person by the card holder whose signature is shown hereon.
4. Any duty / VAT-free purchases other than rationed items must be exported on completion of your tour, unless you have obtained prior approval from SBA Customs.
5. Rationed goods may not be sent by post.
6. Loss of this card must be notified immediately to SBA Customs or the issuing unit.
7. This card must be returned to the issuing unit prior to final departure from Cyprus.

WARNING

Failure to comply with these conditions may result in serious penalties and forfeiture of the goods.

LIST OF ITEMS THAT MAY BE PURCHASED DUTY AND/OR VAT FREE*Notes:*

1. *These items may only be purchased duty and/or VAT free in Cyprus*
2. *Where individual items are multi function you should seek advice from SBA Customs concerning the eligibility for the scheme.*

- 1 Radio Broadcast Receivers
- 2 Motor Car Radio Receivers
- 3 Sound Recorders and Reproducers
- 4 Motor Car Cassette Players
- 5 Radio Combined with Sound Recorders or Reproducer
- 6 Motor Car Radios combined with Sound Reproducer
- 7 Hi - Fi Equipment
- 8 Refrigerators and Deep Freezers
- 9 Dish Washing Machines
- 10 Domestic Washing Machines for clothes
- 11 Vacuum Cleaners
- 12 Carpets up to 25sq/m
- 13 Tableware Sets of any material
- 14 Cutlery Sets
- 15 Photographic Cameras and Lenses
- 16 Cinematograph Projectors
- 17 Musical Instruments
- 18 Watches
- 19 Television Image and Sound Recorders or Reproducers
- 20 Typewriters
- 21 Marine Outboard Engines
- 22 Video Cameras
- 23 Sports Equipment (Excluding Clothing and Footwear)
- 24 Bicycles
- 25 Television Sets
- 26 Air-Conditioning Units (including for motor vehicles)
- 27 Domestic Laundry Units
- 28 Radio Transceivers (Only on production of a valid permit)
- 29 Children's Car Safety Seats
- 30 Personal Computers