

A GUIDE TO CUSTOMS PROCEDURE

**TRANSFER OF NORMAL RESIDENCE FROM ANOTHER EUROPEAN UNION
MEMBER-STATE**

**MINISTRY OF FINANCE
CUSTOMS AND EXCISE DEPARTMENT**

September 2020

INDEX

A. INTRODUCTION

1. Legal basis
2. In general

B. USED MOTOR VEHICLE

- (i) Union status of vehicle
- (ii) Procedure on arrival

C. TRANSFER OF NORMAL RESIDENCE – NEW MOTOR VEHICLE

- (i) Value Added Tax (VAT)
- (ii) Proof of normal residence
- (iii) Proof for the vehicle
- (iv) Documents to be completed and procedure

D. ADDITIONAL INFORMATION

A. INTRODUCTION

1. Legal basis

Community Legislation:

- Council Directive 2009/55/EC of 25 May 2009 (Codified version).

National Legislation:

- The Excise Duties (Tax Exemptions Applicable to imports from Member-State of the Personal Property of Individuals) Regulations of 2004 (KDP376/04) to 2013, as amended.

2. In general

(i) Normal residence means the place where a person usually lives, that is for at least 185 days in a 12 months period, continuous or not, because of personal and occupational ties.

In the case of a person with no occupational ties, normal residence means the place of personal ties which show close links between that person and the place where he is living.

The normal residence of a person whose occupational ties are in a different place from his personal ties shall be regarded as being the place of his personal ties, provided that such person returns there regularly.

This last condition need not be met where the person is living in a member state in order to carry out a task of a definite duration.

Attendance at a university or school shall not imply that this person has his normal residence in this country.

(ii) Personal property means property for the personal use of the persons concerned or the needs of their household. Such property must not, by reason of its nature or quantity, reflect any commercial interest.

The following, in particular, shall constitute 'personal property':

(a) household effects, i.e. personal effects, household linen, furnishings and equipment intended for the personal use of the persons concerned or for meeting their household needs;

(b) cycles and motorcycles, private motor vehicles and their trailers, camping caravans, pleasure craft and private aeroplanes;

(c) household provisions appropriate to normal family requirements, household pets and saddle animals;

(d) the portable instruments of the applied or liberal arts, required by the person concerned for the pursuit of his trade or profession.

B. USED MOTOR VEHICLE

(i) Union status of vehicle

Goods in free circulation in the EU move from one member state to another without payment of import duty. In order for the good to be exempt from paying import duty in Cyprus, the proof of union status of the goods must be provided.

The same applies for motor vehicles.

Persons transporting into the Republic of Cyprus a private motor vehicle or motor cycle from another member state, may prove its union status by producing:

- T2L or T2LF document; or
- the number plates and the original vehicle registration document issued by previous member state.

The T2L or T2LF document can be obtained from the previous member state Customs Service or through your vehicle supplier or the shipper.

It is noted that in order to receive your vehicle you must first fill in the form APPLICATION FOR THE VERIFICATION OF THE CUSTOMS STATUS OF UNION GOODS and submit it together with the aforementioned documentation.

In case of failure to provide proof of the vehicle's Union status, the vehicle will be classed as having arrived from a country outside the EU and will be liable to import duty and VAT.

(ii) Procedure on arrival

After receipt of the vehicle from the port of entry, the customs clearing procedure must be completed at any District Customs Office within 10 working days after the verification of the vehicle's Union Status.

Upon clearance of a used motor vehicle from Customs, the original registration certificate for the vehicle from the previous EU member state must be presented to Customs. Additionally, for used passenger cars a certificate issued by the Department of Road Transport, verifying the mass of carbon dioxide (CO₂) emissions of the vehicle must also be presented to Customs (Document TOM119A – issued upon presenting to the Department of Road Transport the original registration certificate from the previous member state).

C. TRANSFER OF NORMAL RESIDENCE – NEW MOTOR VEHICLE

(i) Value Added Tax (VAT)

Only “**New Means of Transport**” (motor vehicles and motor cycles) that are transported to the Republic of Cyprus from other EU member states are subject to V.A.T. upon arrival in the Republic.

A motor vehicle is considered as “**used**” when transported to the Republic of Cyprus from another EU member state if both of the following two conditions are met:

(a) The period from the date of its first entry into service (date of first registration) up to the date of delivery for the purposes of its acquisition in the Republic of Cyprus (date of purchase for the purpose of its transport to the Republic of Cyprus) is more than six months; **and**

(b) Up to the date of its acquisition, the vehicle has travelled more than 6,000 kilometers.

If either (or both) of the above conditions are not met, the vehicle will be considered as new upon entry into the Republic of Cyprus and will be liable for payment of VAT, regardless if VAT has previously been paid in the previous member-state.

However, in the case of transfer of normal residence of a person from another member-state, the transfer of a motor vehicle which in accordance with the above is considered as new, does not create any VAT liability provided that such VAT has already been paid in the member-state of the vehicle's origin.

A prerequisite for non-payment of the VAT is that it has to be proven that such VAT has already been paid in the member-state from which the vehicle is originated. It is necessary to provide the purchase invoice stating the amount of VAT or indicating that the VAT has been paid.

(ii) Proof of normal residence

The person concerned must prove that he had his normal place of residence outside the Republic for a continuous period of twelve (12) months from the date of transfer of his normal residence. He must also give proof of his intention to settle permanently in the Republic.

Such proof may be:

- (a) contract of sale or rent of his residence abroad;
- (b) particulars of employment abroad (tax returns, social insurance records, payroll slips etc.);
- (c) certificates of children's attendance at schools abroad;
- (d) particulars of employment in Cyprus;
- (e) particulars of acquisition of residence in the Republic (contract of sale or rent);
- (f) utility bills, e.g. telephone/electricity/ water supply bills;
- (g) attendance of children at schools in the Republic
- (h) other documents.

(iii) Proof for the motor vehicle

Such proof may be:

- (a) motor vehicle registration document;
- (b) certificate of insurance;

- (c) sales invoice/receipt of purchase;
- (d) particulars of the vehicle's arrival (bill of lading/delivery order/freight receipt/sailing ticket);
- (e) other evidence.

(iv) Documents to be completed and procedure

Procedure of new means of transport arriving in the Republic under the Transfer of Normal Residence Scheme:

- If necessary, the vehicle will be granted temporarily for the period of one month
- The person concerned must submit form under title "Official Declaration" together with the necessary accompanying documents at any customs office, within this period.

The Official Declaration is examined and if the requirements of the provisions of the legislation are met, no VAT is paid. Otherwise, VAT is payable.

D. ADDITIONAL INFORMATION

For additional information or clarification you may you may write to the following address:

The Director,
Department of Customs and Excise
Customs Headquarters
Corner M. Karaoli and Gr. Afxentiou
1440, Nicosia.

Fax no: 22302031

E-mail: headquarters@customs.mof.gov.cy