IMPORT GUIDE

Importing a Car from the UK to Cyprus: VAT, Costs and What to Check

Choose the car. Understand the taxes. Agree the complete cost.

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BEFORE YOU BUY

Check registration eligibility first. Confirm the UK VAT treatment in writing. Price duty, Cyprus VAT and every delivery cost before committing. A UK registration plate does not prove preferential origin, and UK export zero-rating does not remove Cyprus import VAT.

A UK asking price is only the starting point. Before buying a car for Cyprus, establish whether it can be registered, how the seller will invoice it and what the complete route to ownership will cost. A VAT-qualifying vehicle can offer an advantage, but the answer depends on the particular car and the documented transaction.

This guide covers cars supplied from Great Britain (England, Scotland and Wales) to the Republic of Cyprus. Northern Ireland movements can follow different VAT and customs rules and need a separate assessment.

1. Check that the car can be registered

Cyprus Road Transport Department's published rule for ordinary M1 passenger cars arriving from the UK permits vehicles up to five years old at arrival in a lawful Republic port. Age runs from the first registration as new in any country, rather than the date of a later UK registration. Allow for shipping time before the car reaches that limit.

The RTD circular also addresses the original V5C, Cyprus roadworthiness certification and type approval or individual vehicle approval. Confirm the proposed vehicle's registration route with RTD before purchase or shipment, including emissions, specification, documents and any claimed exception. Customs tax relief and permission to register a car are separate questions.

Right-hand drive is practical because Cyprus drives on the left. That does not remove the need for approval and inspection checks on the individual car.

Sources: Cyprus RTD: Circular 2/2021 on UK vehicles (official listing and attachment, in Greek) · Cyprus Customs: vehicles imported from the United Kingdom

2. Understand the UK VAT position

A VAT-qualifying car has retained eligibility for full input-VAT recovery through its ownership history. Business ownership alone is not enough. Obtain the seller's confirmation of VAT status and proposed invoice treatment before paying a deposit.

If the full advertised price includes VAT at 20%, divide it by 1.20 to find the amount before VAT. A £60,000 price becomes £50,000 before VAT: a £10,000 difference, or 16.67% of the inclusive price. It is not a 20% discount from £60,000.

A qualifying export sale can be zero-rated when the seller meets HMRC's conditions and retains the required evidence within the applicable deadlines. This is not an automatic refund for the buyer. Agree who arranges export, whether a VAT deposit is required, which evidence the seller needs and when any deposit is released.

A vehicle sold under the second-hand margin scheme cannot be zero-rated as that export sale. Do not deduct one-sixth from a margin-scheme asking price. Compare documented export quotes and the total destination cost; VAT status alone does not establish which car is better value.

Sources: HMRC: qualifying cars and the input-tax block · HMRC: calculating VAT-inclusive and VAT-exclusive prices · HMRC VAT Notice 703: export conditions, evidence and motor vehicles

3. Budget for Cyprus duty and VAT

Cyprus Customs lists a standard import-duty rate of 10% for passenger cars. A claim under the UK–EU Trade and Cooperation Agreement may reduce duty to zero where the vehicle qualifies as UK-originating and the supporting evidence is sufficient. A British brand, UK number plate or EU manufacture alone does not establish that entitlement.

A valid Statement on Origin is one evidence route; adequately supported importer's knowledge is another. An EU-made car returning from Britain needs a separate assessment, including whether returned-goods relief is available. Have the clearance agent confirm the route before assuming zero duty.

Cyprus import VAT is normally 19%. The taxable amount includes customs value and import duty, with applicable other charges and incidental costs also included. Customs value normally incorporates relevant purchase, transport and insurance costs. The clearance calculation should show which costs enter each tax base.

Tariff classification and vehicle circumstances still matter. Additional measures can apply, for example to certain new China-origin battery electric vehicles. The worked example below assumes an ordinary used passenger car without additional trade-defence duties or a relief claim.

Sources: Cyprus Customs: vehicles imported from the United Kingdom · HMRC: insufficient production and cumulation under the UK–EU agreement · Cyprus Customs: import VAT · EU VAT Directive: Articles 85–86, taxable amount on importation · European Commission: trade-defence case on new battery electric vehicles from China

THE NUMBERS, EXPLAINED

A worked import budget

Illustration only, not a vehicle or shipping quote. The model uses a £60,000 full-VAT asking price, a compliant £50,000 zero-rated export purchase, 10% duty and no relief. The exchange rate of £1 = €1.17 is an assumed rate for this calculation, not a current rate. Customs uses its applicable conversion rate. All non-tax costs below are invented budget allowances and must be replaced with written quotations.

£60,000 UK asking price → illustrative €82,127.80 budget to registration

Cost	Basis	Amount
UK purchase after removing 20% VAT	£60,000 ÷ 1.20 = £50,000	€58,500.00
Shipping allowance	£1,200 × 1.17	€1,404.00
Marine insurance allowance	£300 × 1.17	€351.00
Customs value in this example	Purchase + shipping + marine insurance	**€60,255.00**
Import duty	10% × €60,255	€6,025.50
Destination handling and transport allowance	Assumed to enter the import VAT base	€600.00
Sourcing and coordination allowance	Not an SZ price; assumed to enter the import VAT base	€1,000.00
Import VAT	19% × (€60,255 + €6,025.50 + €600 + €1,000)	€12,897.30
Landed subtotal	Customs value + duty + both allowances + VAT	**€80,777.80**
Inspection and registration allowance	Illustrative final charge	€250.00
First-year road-tax allowance	Illustrative; depends on the vehicle	€300.00
Cyprus motor-insurance allowance	Illustrative final premium	€800.00
Illustrative budget to registration	Including the three allowances above	**€82,127.80**

Subtotals are shown for explanation; they are not additional charges.

For this model, the €600 destination charge and €1,000 sourcing and coordination allowance have not already been taxed and are counted once in the import VAT base. Neither is assumed to enter customs value for duty. The final three allowances are assumed to include any applicable taxes and to sit outside the import VAT base. A real transaction may be treated differently, particularly for commissions and transport costs. Ask the agent to identify the actual treatment of each fee, avoid double-counting VAT and quote storage, inland delivery or other extras where relevant. This total does not establish a saving against a comparable car in Cyprus.

Sources: HMRC: calculating VAT-inclusive and VAT-exclusive prices · Cyprus Customs: vehicles imported from the United Kingdom · Cyprus Customs: import VAT · EU VAT Directive: Articles 85–86, taxable amount on importation

4. Keep relocation relief separate

A qualifying transfer of normal residence from outside the EU may allow relief from both import duty and VAT for one private vehicle per eligible licence-holder. Key conditions include at least 12 continuous months' prior normal residence outside the EU and at least six months' possession and actual use of the vehicle at that residence. Import timing and supporting documents also matter.

Relieved property must not be lent, pledged, hired out or transferred during the 12 months after importation without Customs permission and payment of the relevant duties. Confirm the conditions of an approval before changing ownership or use.

Do not assume that relocating makes a newly purchased car eligible, or that a tax-relief approval exempts an older car from registration rules. Settle Customs relief and RTD eligibility independently before shipping.

Sources: Cyprus Customs: transfer of normal residence · Cyprus RTD: Circular 2/2021 on UK vehicles (official listing and attachment, in Greek)

Before paying a deposit

Keep one document pack and ask for the unresolved points in writing.

01 Vehicle identity: VIN, first registration as new, specification, mileage, service history, condition and an independent inspection.

02 Registration eligibility: written confirmation of the RTD route, required approvals, roadworthiness checks and any exception being relied on.

03 Invoice and VAT: seller's VAT-status confirmation, agreed export invoice, deposit arrangements and the evidence deadline.

04 Origin and duty: the proposed tariff classification, origin evidence and any relief application, checked with the clearance agent.

05 Export documents: original V5C, purchase invoice, permanent-export notification, shipping documents and evidence supporting the declared value.

06 Transport and cover: confirmed route, sailing window, marine cover, collection, arrival handling and inland delivery responsibilities.

07 Complete quote: vehicle, freight, insurance, duty, VAT, clearing fees, inspection, registration, road tax and professional fees, with exclusions shown.

Sources: Cyprus RTD: Circular 2/2021 on UK vehicles (official listing and attachment, in Greek) · HMRC VAT Notice 703: export conditions, evidence and motor vehicles · Cyprus Customs: vehicles imported from the United Kingdom · DVLA: taking a vehicle out of the UK permanently

From the first brief to registration

Set the brief

Agree the vehicle, budget, destination and intended use. Establish whether this is an ordinary purchase or a genuine transfer of residence.

Confirm eligibility and price

Resolve registration, condition, VAT and origin before committing. Compare the full budget with suitable local alternatives.

Agree export responsibilities

Set the invoice terms, export evidence and VAT-deposit arrangements in writing. Notify DVLA of permanent export and retain the remaining V5C for destination registration.

Book transport and prepare clearance

Confirm sailing, insurance and arrival arrangements. Send the document pack to the clearance agent early and agree the applicable taxes or relief.

Clear, inspect and register

Complete Customs formalities, required approval and roadworthiness checks, local insurance and registration. Obtain the final cost reconciliation and handover documents.

Sources: HMRC VAT Notice 703: export conditions, evidence and motor vehicles · DVLA: taking a vehicle out of the UK permanently · Cyprus Customs: vehicles imported from the United Kingdom · Cyprus RTD: Circular 2/2021 on UK vehicles (official listing and attachment, in Greek)

Questions buyers ask

Does VAT qualifying mean I avoid Cyprus VAT?

No. It concerns the UK vehicle's VAT treatment. Cyprus import VAT normally remains payable unless a separate relief applies. Establish both sides of the transaction before buying.

How much does removing UK VAT save?

Where 20% VAT applies to the full asking price, the VAT element is one-sixth of that inclusive price. £60,000 becomes £50,000 before VAT, subject to a compliant zero-rated export sale. Destination costs still need to be added.

Can I import a car older than five years?

The published ordinary M1 route for cars arriving from the UK allows up to five years at arrival. Seek RTD confirmation of any alternative route for the specific vehicle before purchase. Relocation tax relief alone does not establish a registration exception.

Does a UK number plate mean zero import duty?

No. Preferential duty depends on qualifying origin and evidence, not the registration plate. Have the clearance agent verify the claim and any alternative relief.

How long will it take?

Obtain a current sailing and clearance plan for the chosen vehicle. Shipping frequency, paperwork, inspections and approvals affect the total time. A sea-transit estimate is not a delivery-to-registration promise.

What can Sparkly Zetta help with?

We can discuss a UK vehicle search, arrange inspection and coordinate export and destination requirements where applicable. The scope, partners, responsibilities and itemised quote should be agreed before you proceed.

A CONSIDERED NEXT STEP

Start with the car and its destination

Tell us the specification, budget and intended use in Cyprus. We can discuss the search, the checks and the coordination required, with the scope and costs agreed before you proceed.

Discuss your Cyprus import

Sources and method

Official guidance last checked on 23 October 2026. The cost example is a labelled illustration; it is not a quotation or a guarantee of eligibility, savings or delivery. Rules and charges can change. Confirm the vehicle-specific position with Cyprus Customs, RTD and the relevant advisers before purchase or shipment. This guide provides general information, not individual tax, customs or legal advice.

01

HMRC: calculating VAT-inclusive and VAT-exclusive prices
https://www.gov.uk/charge-reclaim-record-vat

02

HMRC: qualifying cars and the input-tax block
https://www.gov.uk/hmrc-internal-manuals/vat-input-tax/vit52100

03

HMRC VAT Notice 703: export conditions, evidence and motor vehicles
https://www.gov.uk/guidance/vat-on-goods-exported-from-the-uk-notice-703

04

Cyprus Customs: vehicles imported from the United Kingdom
https://www.mof.gov.cy/mof/customs/customs.nsf/All/A6D69566FE652E09C2258663002B4176

05

HMRC: insufficient production and cumulation under the UK–EU agreement
https://www.gov.uk/guidance/insufficient-production-for-manufacturing-and-agri-food-processes-when-trading-between-the-uk-and-eu

06

Cyprus Customs: import VAT
https://www.mof.gov.cy/mof/customs/customs.nsf/All/F321E8F8CB258B6AC22572A6003BC3BD

07

EU VAT Directive: Articles 85–86, taxable amount on importation
https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32006L0112

08

Cyprus RTD: Circular 2/2021 on UK vehicles (official listing and attachment, in Greek)
https://www.mcw.gov.cy/mcw/rtd/rtd.nsf/All/05E25A22A835D675C22586C40018B34A?OpenDocument=

09

Cyprus Customs: transfer of normal residence
https://www.mof.gov.cy/mof/customs/customs.nsf/All/2BCA7C3FA48AB7A0C22572BF002DEAEA

10

DVLA: taking a vehicle out of the UK permanently
https://www.gov.uk/taking-vehicles-out-of-uk

11

European Commission: trade-defence case on new battery electric vehicles from China
https://tron.trade.ec.europa.eu/investigations/case-history?caseId=2684