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INCREASE IN THE STANDARD RATE OF V.A.T.

As of the 1st of March 2012, the standard rate of V.A.T. is increased from 15% to 17%.

Therefore, all goods and services supplied after 1st of March 2012 will be subject to the rate of 17%.

The goods and services which are subject today to the zero V.A.T. rate or are exempted from V.A.T., will continue and afterwards 1st of March 2012 not to be subject to V.A.T.

In addition, the reduced V.A.T. rates of 5% and 8% remain the same.

In accordance with the provisions of the law, the taxable persons who are affected from the change of the standard V.A.T. rate, ought, after the completion of their business operations, the day before the day on which the increase of the V.A.T. comes into force (i.e. on the 29th of February 2012), to conduct a stock taking, which includes quantitative counting and valuation. The taxable persons ought to keep the stock taking records for a seven year period.

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This publication is intended as a general guide only and its application to specific situations will depend on the particular circumstances involved. Accordingly, we recommend that readers seek appropriate professional advice regarding any particular problems that they encounter. This information should not be relied upon as a substitute for such advice.

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