

Cyprus Tax Residency with 60 days stay

On 13 July 2017 the Cyprus Parliament voted for the amendment of the Income Tax law regarding the criteria for an individual being a tax resident in Cyprus according to certain conditions. The amended law has been published on 28 July 2017 and is in force as of 1 January 2017.

As per the amended law, a person who does not remain in any other state for one or more than one periods which cumulatively exceed hundred and eighty-three (183) days within the same tax year and which is not taxable resident in any other state for the same tax year is deemed to be resident in Cyprus for that tax year, provided that it meets the following cumulatively:

- the individual remains in Cyprus for at least sixty (60) days in the tax year,
- carries out any business in Cyprus and/or is employed in Cyprus and/or holds an office (i.e. being a director) in a tax resident person in Cyprus at any time during the tax year,
- the individual has a permanent residence in Cyprus which is owned or rented.

It is further understood that for the purposes of the above reservation, a person who fulfills the above cumulatively, is not considered being a Cyprus tax resident in the tax year, if during that year the exercise of any business and/or the employment and/or its occupying office to a person tax resident in Cyprus, is terminated.

According to the new income tax law amendment, an individual who fulfills the above conditions can transfer its tax residency in Cyprus and be benefited from the special non-domicile tax regime of Cyprus and also apply for a Cyprus tax residency certificate.

Individuals who become tax residents in Cyprus can be benefited from the “non-dom” scheme which allows an individual who becomes tax resident in Cyprus to be tax exempted from defense tax for the next 17 years starting from the year that they become tax residents. Defense tax is the tax that it is imposed on dividend, interest and rental income. Also, for an individual whose employment earnings in Cyprus exceed the €100.000, a 50% tax exemption on his/her employment income is allowed for a period of 10 years.

Contact us:

We invite you to contact us so that we may have the opportunity to show what we can do to help you focus in achieving your goals. We commit to respond to you within 24 hours.

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