

# CYPRUS NON-DOMICILE TAX REGIME

Cyprus offers a highly attractive Non-Domicile Tax Regime, designed to help expatriates and high-net-worth individuals (HNWIs) efficiently manage their global tax liabilities. The regime provides exemptions on foreign income, including dividends, interest, and capital gains, with no taxation on worldwide income unless it is remitted to Cyprus. Additionally, Cyprus offers a 12.5% corporate tax rate, one of the lowest in the EU, along with the absence of wealth, inheritance and gift taxes.

With these financial incentives, clear eligibility criteria and its extensive network of double tax treaties, Cyprus stands out as an ideal jurisdiction for tax planning. The Non-Domicile Tax Regime combines substantial tax benefits with legal certainty, access to EU markets, and an exceptional quality of life in a business-friendly, English-speaking environment.

*This publication should be used as a source of general information only. It is not intended to give a definitive statement of the law.*

## CYPRUS NON-DOMICILE TAX REGIME AT A GLANCE

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|-------------------------------------|--|
| <b>Local Income Tax Only</b>        | <ul style="list-style-type: none"> <li>Non-domiciled (non-dom) individuals are only taxed on income generated within Cyprus.</li> </ul>  |
| <b>Foreign Income Tax Exemption</b> | <ul style="list-style-type: none"> <li>Non-dom individuals are exempt from taxation on foreign income, including dividends, interest, and capital gains, unless it is remitted to Cyprus.</li> </ul>   |
| <b>No Inheritance or Wealth Tax</b> | <ul style="list-style-type: none"> <li>Cyprus imposes no inheritance or wealth taxes, providing a considerable advantage for long-term estate planning; there is also no gift tax.</li> </ul>  |
| <b>SDC Tax Exemption</b>            | <ul style="list-style-type: none"> <li>Non-dom residents are exempt from special defence contribution (SDC) tax on dividends, interest, and rental income (savings of up to 30% compared to local residents).</li> </ul>   |
| <b>Low Corporate Tax Rate</b>       | <ul style="list-style-type: none"> <li>Cyprus offers a 12.5% corporate tax rate, one of the lowest in the EU with foreign income being exempt from taxes under the non-dom tax regime.</li> </ul>  |
| <b>Favourable Capital Gains Tax</b> | <ul style="list-style-type: none"> <li>Only gains from the disposal of real estate located in Cyprus are taxable; gains from foreign assets are exempt.</li> </ul>   |
| <b>17-Year Benefits Period</b>      | <ul style="list-style-type: none"> <li>Non-dom status can be maintained for up to 17 years, allowing individuals to benefit from non-dom tax exemptions during this period.</li> </ul>   |
| <b>Eligibility Criteria</b>         | <p>To qualify for a non-dom status, an individual must:</p> <ul style="list-style-type: none"> <li>Satisfy the 183-day rule i.e., reside in Cyprus for over 183 days in a calendar year OR</li> <li>Satisfy the 60-day rule i.e., stay in Cyprus for at least 60 days in a calendar tax year, not reside in another country for over 183 days in the aggregate, not be a tax resident elsewhere, and maintain other defined ties to Cyprus, such as owning or renting a permanent residence or conducting business in Cyprus.</li> <li>Not have been a tax resident of Cyprus for at least 17 of the past 20 years.</li> <li>Prove that their permanent home is outside Cyprus.</li> </ul> |

## WHAT WE CAN DO FOR YOU

We at ATG have over two decades of experience helping clients assess their residence and domicile status, which is crucial for determining tax obligations. We assist with non-dom tax returns, which often involve disclosures related to foreign income and assets, ensuring accurate reporting and compliance with regulations. Additionally, we advise clients on claiming the remittance basis, which allows them to be taxed only on income brought into Cyprus.

**For a FREE Initial Consultation to discuss the specifics of your enquiry please contact Andreas Athinodorou on + 357 22057560 or [andreas.athinodorou@atgcorporate.com](mailto:andreas.athinodorou@atgcorporate.com)**

## ADDITIONAL BENEFITS FOR NON-DOMS

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|------------------------------------|---|
| <b>Tax &amp; Legal Environment</b> | <ul style="list-style-type: none"> <li>Cyprus combines a favourable tax regime with a robust legal framework based on English common law, offering security &amp; reliability for expatriates.</li> </ul> |
| <b>EU Membership</b>               | <ul style="list-style-type: none"> <li>Access to EU markets and regulatory frameworks, facilitating business operations and investment opportunities across all EU member states.</li> </ul>              |
| <b>Lifestyle and Climate</b>       | <ul style="list-style-type: none"> <li>Cyprus offers high quality of life with excellent healthcare and education systems, Mediterranean climate, and diverse cultural experiences.</li> </ul>            |
| <b>Innovation Hub &amp; IP Box</b> | <ul style="list-style-type: none"> <li>Cyprus fosters innovation with a robust IP Box regime, offering effective tax rates as low as 2.5% on qualifying IP income.</li> </ul>                             |

## ADDITIONAL CONSIDERATIONS & SUPPORT

- Local Income Tax Rates:** Cyprus has progressive income tax rates for local income, reaching up to 35%. However, with our tailored tax planning services, we can help individuals seeking a non-dom status minimize their tax impact and make the most of available deductions and exemptions.
- Residency Requirements:** Establishing and maintaining non-dom status in Cyprus may involve more complex administrative procedures compared to other jurisdictions. Our team can help overcome these challenges by providing comprehensive support and turnkey immigration services to simplify the process and ensure continued compliance.
- Business Environment:** While Cyprus undoubtedly offers a tax-efficient environment, it may lack in market size or strategic positioning when compared to larger hubs. However, our established presence in multiple jurisdictions, such as UAE, and strong international network provides many additional opportunities and support for global entrepreneurs.

### PLANNING | ADVISORY

- Initial consultation
- Financial and tax status
- Guidance of residency rules
- Tailored Advisory Services
- Assistance with options

### IMPLEMENTATION | SETUP

- Set up Bank accounts
- Structuring Income flows
- Structuring Asset Holdings
- RE and PE Investments
- Immigration | Relocation

### ONGOING ADMINISTRATION

- Compliance to ND rules
- Renewals and updates
- Multifamily office support
- Legal Administration
- Financial Administration

### TAX AND LEGAL COMPLIANCE

- Personal Tax Returns
- Corporate Tax Returns
- CRS /FATCA Reporting
- Tax Reviews | Exemptions
- All Compliance Filings

### EXIT & GROWTH

- Wealth preservation
- Investment support
- Estate Planning
- Business Support
- Second Citizenship