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Cyprus tax residency for individuals

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Introduction

Cyprus tax residency for individuals is determined solely by the number of days of actual stay in the Republic.

As per the tax law, a person physically residing in Cyprus for more than **183 days** in any calendar year is considered to be tax resident in Cyprus for that given year, without any other conditions.

The Cyprus tax legislation has been amended so that, as from 1 January 2017, it is possible for an individual to also become a Cyprus tax resident by being physically present in Cyprus for at least **60 days** in any calendar year, subject to certain conditions being cumulatively met.

This 60-day rule provides an alternative and convenient route for foreigners who may wish to take up personal tax residency in Cyprus but cannot physically spend 183 days in Cyprus.

Cyprus tax residency under the 60-day rule

As of 1 January 2017, an individual who does not remain in any other country for one or more periods exceeding 183 days in total during any given tax year may be considered, for Cyprus tax purposes, to be a tax resident of Cyprus for the year in question, subject to the following conditions being cumulatively met:

- The individual resides in Cyprus for at least 60 days in the year of assessment; and
- The individual carries out any business in Cyprus and/or is employed in Cyprus and/or holds an office (e.g. being a director) to a person (e.g. a company) resident in Cyprus at any time during the year of assessment; and
- The individual maintains a permanent residence in Cyprus, either owned or rented.

***NOTE**: Up to and including year 2025, there was an additional condition that the individual should not be tax resident in any other country for the tax year in question. As part of the general reform of the Cyprus tax system which came into effect as from 1st January 2026, this condition has been abolished.*

The legislation further provides that an individual who cumulatively meets all of the above conditions, shall nevertheless not be considered a tax resident of Cyprus in the year of assessment, if the exercise of any business in Cyprus and/or the employment in Cyprus and/or the holding of an office to a person resident in Cyprus is terminated during that year of assessment.

A Cyprus tax residency certificate can now be requested from the Cyprus Tax Department before completion of the minimum 60 days of residency, provided that:

- All the conditions for tax residency under the 60-day rule are cumulatively met
- The application for issue of the certificate relates to receipt of dividends or interest from sources outside Cyprus, and relevant supporting documentation for the impending receipt of such income are submitted
- The certificate states the tax authority or organization to which it will be submitted

Outline of Cyprus taxation for non-doms

Individuals who are considered Cyprus tax residents (either through the 183 day rule or the 60 day rule) are subject to Income Tax in Cyprus on their worldwide income, both from sources in Cyprus as well as from abroad. Income from certain sources (mainly dividends and interest income) is exempt from Income Tax and instead is subject to Special Defence Contribution (SDC), with the applicable rate currently being 5% for dividends and 17% for interest.

However, foreigners who decide to move their personal tax residency to Cyprus are automatically considered as non-domiciled ('**non-doms'**) for Cyprus tax purposes for a maximum of 17 years. Cypriot non-doms are **completely exempt from SDC**. As such, any dividends or interest earned by non-doms will be completely tax exempt in Cyprus for at least 17 years (with the option to extend by up to two 5-year periods, subject to the payment of a lump sum amount of €250,000 per period). More details on the non-dom concept can be found in our Information Sheet 129.

Furthermore, irrespective of domicility, foreigners becoming Cyprus tax residents enjoy an array of other significant tax benefits, such as complete tax exemption on gain from sale of shares and 50% annual tax exemption on Cyprus sourced salaries for high earners (i.e. those earning more than €55,000 per annum).

Registering as a Cyprus tax resident

The registration of physical persons with the Cyprus tax authorities and the obtaining of a Cyprus tax number (Tax Identification Code / TIC) is a straightforward procedure that does not need their physical presence to the Tax Office.

However, in the case of foreigners (whether EU or non EU) becoming Cyprus tax residents, they first need to obtain an Alien Registration Code (ARC) from the Immigration Department. In order to do that, a meeting needs to be arranged with the Immigration Department which they must attend in person.

Foreign consideration

The obtaining of a new personal tax residency (e.g. in this case being Cyprus) does not automatically mean that the person has stopped being considered a tax resident in his/her previous country of residence or in any other country. As such, foreigners wishing to move their personal tax residency in Cyprus and who no longer wish to continue being considered tax resident in another jurisdiction must separately ensure that they have taken all necessary steps to this effect – and that is always in accordance with that other country's laws, regulations and practices.

NOTES

The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained. Totalserve Management Ltd will be glad to assist you in this respect. Please do not hesitate to contact us.