

Cyprus Tax Residence for Physical Persons



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Cyprus tax system is one of the most favourable in Europe, offering a variety of tax benefits to physical persons who have tax residence in Cyprus.

A physical person is considered to be a tax resident in Cyprus for a calendar year, if the criteria of the 183- or 60-day rule are met.

The 183-day rule: Where the person resides in Cyprus for more than 183 days (in one calendar year).

The 60-day rule: Where the person resides in Cyprus for at least 60 days (in one calendar year – after the 1st January 2017). The following conditions need to be fulfilled. The person must:

- carry on a business in Cyprus (i.e. as a self-employed, or be employed, or hold an office with a Cyprus tax resident person – for example, a Director of a Cyprus company). If the business (or employment or self-employment) stops during the year, then the person is not considered a Cyprus tax resident for the specific year;
- not spend more than 183 days in any other country;
- keep a property-residence in Cyprus (either owned or rented);
- not be a tax resident in any other country.

For purposes of calculating the days present in Cyprus:

- The day of arrival into Cyprus is considered as a day in Cyprus;
- The day of departure from Cyprus is considered as a day out of Cyprus;
- The arrival and departure from Cyprus on the same day is considered as a day in Cyprus;
- The departure and return to Cyprus on the same day is considered as a day out of Cyprus.

Obtaining a Tax Residence Certificate

Tax residence certificates for physical persons can be issued by Cyprus Tax authorities.

Tax residence certificates are usually requested by foreign tax authorities, in order to apply for a double tax treaty with Cyprus (i.e. applying lower withholding tax on payment to Cyprus residents) and/or to confirm that the individual is actually residing in Cyprus.



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- a. **Obtaining a Tax Residence certificate under the 183-day rule - The following conditions must be fulfilled:**
1. Be registered with the Tax Authorities and have a Tax Identification Code;
 - Sign a declaration (standardized document) affirming that he intends to stay in Cyprus for more than 183 days in the current tax year. If, for any reason, he does not fulfill the required number of days, the Tax Authorities must be informed to revoke the tax residence certificate;
 - Present evidence for foreign dividends or interest earned;
 - Present evidence for his intention to remain in Cyprus for more than 183 days (i.e. contract of employment, or rental contract);
 - Tax returns of previous years have been filed with Tax Authorities;
 - All taxes have been paid;
 - State the country for which the certificate is requested.
- b. **Obtaining a Tax Residence certificate under the 60-day rule - The following conditions must be fulfilled:**
1. Be registered with Tax Authorities and have a Tax Identification Code;
 - Sign a declaration (standardized document) affirming that he intends to stay in Cyprus for at least 60 days in the current tax year;
 - Sign a declaration (standardized document) stating that if, for any reason, he does not fulfill the 60 days or is no longer employed or holds an office or exercises a self-employed activity, then the Tax Authorities must be informed to revoke the tax residence certificate;
 - Present evidence for foreign dividends or interest earned;
 - Present a copy of his passport with entry/exit stamps, electronic tickets and any other relevant information;
 - Present a copy of his employment contract, or Company Director's certificate, or title deed of owned property or rental contract;
 - Tax returns of previous years have been filed with Tax Authorities;
 - All taxes have been paid;
 - State the country for which the certificate is requested.

The person can request a Cyprus tax residence certificate, from Tax Authorities, provided that certain conditions and documentation are in place.

The certificate can be requested either for the previous year or for the current year.

Certificate for the previous year

The conditions stated above, as per the 183- or 60-day rule need to be met.

Certificate for current year

Tax Authorities can issue tax residence certificates for the current year, despite the fact that the necessary days did not lapse, as per the 183- or 60-day rule. Certain conditions must be met and certain evidence must be presented to the Tax Authorities, proving the intention of the individual to remain in Cyprus.

Such certificates are issued only in circumstances where the individuals request the certificate for the purpose of a reduced or eliminated foreign withholding tax from dividends or interest earned.

The issuance of a certificate from the Tax authorities imposes stamp duty of €80,00.



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