

Amendments to the Concept of Tax Residency for Individuals

An Amendment to the Cyprus Income Tax Law has been introduced, regarding the definition of 'resident of the Republic' for individuals, the effect of which shall be taking place the 1st of January 2017.

As per the Cyprus Income Tax Law which is already in existence, the definition of 'tax resident of the Republic' when referring to individuals, reflects an individual who stays in the Republic for a period exceeding 183 days in a tax year.

Now, following the amendment of the existing Cyprus Income Tax Law, an individual is deemed as a resident in the Republic in a tax year, provided that the individual does not stay in any other country for a period exceeding 183 days in the same tax year and is not a tax resident in any other country for the relevant year, if all of the following criteria are met:

- 1) The individual stays in the Republic for a period of at least 60 days in a tax year.
- 2) Carries on any business activity in the Republic and/or is employed in the Republic and/or holds an office with a Cyprus tax resident person at any time during the tax year.
- 3) Maintains a permanent home in the Republic (by owing or by leasing).

Further, if for any reason, the business activity in the Republic and/or employment in the Republic and/or holding of an office with a Cyprus tax resident person is terminated, the individual will subsequently **not** be treated as a Cyprus tax resident in the tax year.

The criteria mentioned above shall be in force since the tax year 2017 and onwards, with the publication of the relevant Amendment taking place in the Official Gazette of the Republic on the 21st of July 2017.

Contact Us

Christos Christodoulou
Managing Director
christos@cfa-auditors.com

Nicolas Trikkis
Principal
nicolas@cfa-auditors.com

Our Office:

Spyrou Kyprianou 57,
M. Frangos Court, 3rd Floor,
6051, Larnaca, Cyprus

☎: + 357 – 24400391 | 📠: + 357 - 24202515
✉: info@cfa-auditors.com