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The Cyprus Non-Domicile Regime - A Step-by-Step Guide

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By **Jake Magell**, 3rd July 2025

An Introduction to Domiciliation

The Cyprus Non-Domicile regime (or non-dom regime) hinges on a person's domiciliation. It is important to note that there are two kinds of domicile:

- *Domicile of origin:* The domicile assigned to an individual at birth.
- *Domicile of choice:* The domicile acquired by an individual through establishing a physical presence in a particular place, combined with the intention of making it their permanent home.

An individual is considered a non-dom if either their domicile of origin or their domicile of choice is a country other than Cyprus.

The non-dom status in Cyprus is available for 17 years. After which you can extend it for up to two more 5-year periods (10 years total) by paying a €250,000 lump sum per period. After this, you will be considered to have a Cyprus domicile of choice.

Tax Residency

It is also important to note that the Cyprus tax regime only applies to individuals who are tax residents. Anyone looking to take advantage of the benefits under the non-dom regime must first ensure that they are a tax resident of Cyprus. You can find full details in our article on Cyprus Tax Residency.

Application, Cost and Evidence

Unlike other tax regimes around the world, the Cyprus non-dom regime has no participation cost for the first 17 years and there is no minimum annual tax bill to be paid. In other words, there is no annual fee payable to the government in order to benefit from the advantages outlined below.

Applicants must complete the specified form and submit it along with evidence that they are tax residents of Cyprus and that their domicile of origin or choice is not Cyprus.

Once your application has been approved, you can request a certificate to confirm your tax residency and status as a non-domiciled individual. This certificate, issued by an EU member state government, can be used when required in other jurisdictions.

Benefits

Before diving into the benefits, it is worth remembering that Cyprus tax residents are taxed on their worldwide income. This means the following advantages apply to income sourced in Cyprus or remitted to Cyprus from abroad. Additionally, there are no wealth and no inheritance taxes in Cyprus, for both ordinary residents and non-doms.

Cyprus' non-domicile status provides access to a range of highly attractive tax benefits. Individuals who qualify under the regime are exempt from income tax on the following:

- Most types of interest
- Dividends
- Capital gains (excluding immovable property in Cyprus, which may still benefit from partial exemption on newly acquired property)

Additionally to the Non-Domicile Regime, there are new personal income tax incentives for first time employment in Cyprus

- **The 50% exemption:**
  50% of the remuneration of employees whose first employment in Cyprus began on, or after, 1 January 2022, has been exempt from income tax for a period **of 17 years**, provided that their annual remuneration **exceeds €55,000** (subject to conditions).
- *The 20% exemption:*
  Individuals whose first employment in Cyprus began after 26 July 2022 and earn **less than €55,000 are eligible for a 20%** or €8,550 exemption (whichever is lower), from their employment income, for a maximum period **of 7 years** (subject to conditions).

National Health Contribution

It is worth noting that both dividends and salaried income are subject to a General Health System (GHS) contribution of 2.65%, capped on income up to €180,000 per year. This means the maximum contribution is €4,770 annually. This contribution provides access to Cyprus' excellent and comprehensive public healthcare system.

How Can We Help?

Our expert team can support you through every step, from immigration matters to tax residency and non-domicile applications. We can assist with compiling your supporting documentation, interpreting the governments forms. We will even attend the immigration office with you and can handle your annual tax return.

If you are planning to take advantage of the corporate benefits here in Cyprus as well by incorporating a company, we also offer a full range of corporate services including, but not limited to, company formation, secretarial support, and accounting services.

We provide end-to-end support at every stage, helping you successfully navigate Cyprus’ tax residency and compliance requirements, so you can make the most of Cyprus’ excellent tax benefits.

If you would like to know more about the Cyprus Non-Domicle Regime or if you have any questions about how we can help you, please contact us at the Dixcart office in Cyprus for further information: advice.cyprus@dixcart.com.