A Cyprus Family Office: What, Why and How?

Cyprus is an ideal destination for establishing a Cyprus Family Office – a vehicle designed to preserve and grow family wealth.

By **Jake Magell**, 6th May 2025

Introduction

As global mobility increases, individuals and families are exploring new opportunities to relocate, supported by a range of attractive residence schemes worldwide. With this trend on the rise, effectively managing and safeguarding family wealth across multiple jurisdictions and generations has become more crucial than ever.

Cyprus is a leading international business hub, offering a well-regulated and advantageous tax regime. Its strategic location, advanced infrastructure, political stability, and high-quality professional services make it an ideal destination for establishing a Cyprus Family Office – a vehicle designed to preserve and grow family wealth for generations to come.

What Is a Family Office and What Should You Be Looking Out for In a Family Office Provider?

A Family Office is typically a private entity engaged by a single family or a group of families to oversee their financial and legal affairs. While services may vary between families, they generally include:

- *Accounting and Reporting:* Providing timely, accurate financial reporting, including tax and performance updates.

- *Advisory Services:* Structuring for asset protection, tax optimisation, global mobility, and conflict prevention among generations.

- *Direct Investments:* Applying entrepreneurial skills and investment expertise to grow wealth through private equity, real estate, and business ventures.

- *Investment Management:* Managing wealth effectively across generations with a focus on long-term growth.

- *Education:* Preparing younger generations for wealth management responsibilities.

- *Family Business Management:* Creating a structured platform for managing and governing family-owned businesses.

- *Philanthropy:* Assisting families in fulfilling their charitable and philanthropic goals.

When selecting a Family Office provider, consider the following essential qualities:

- *Unbiased Professional Expertise*: Choose a legal or fiduciary professional who is independent of banks, investment managers, or fund advisers to ensure impartial guidance.

- *Multi-Jurisdictional Coverage:* Providers with international offices or global network affiliations can better coordinate a family's cross-border affairs.

- *Proven Experience:* Seek a provider with a strong track record in Family Office management or complex, multi-generational wealth structures.

- *Technical Excellence and Experience:* Ensure the provider demonstrates high technical competence and has extensive experience in the industry.

Why Use a Cyprus Company?

Cyprus offers more than just a pleasant climate; it provides a highly attractive tax environment tailored to Family Office needs, including:

- 0% Income Tax: No income tax on dividends, capital gains, and most types of interest income for both corporations and individuals.
- No Inheritance or Wealth Tax: Making wealth transfer more efficient across generations.

Additional incentives include the Cyprus Non-Domicile Regime for individuals and the absence of withholding tax on dividend disbursements for corporate entities.

All companies that wish to make the most of the above benefits must be tax resident in Cyprus. In order to be considered tax resident a company must have sufficient economic substance in Cyprus. Our expert team at Dixcart Cyprus is ready to guide you through Cyprus's tax incentives, assist with meeting the substance requirements, and help you explore the most advantageous strategies for your family's specific circumstances.

How Can Dixcart help you?

Dixcart is a family-owned and operated business, proudly managed by the same family that founded it over 50 years ago. This deep-rooted legacy means working with and supporting families is part of our DNA and at the very heart of what we do.

Not only do we understand finance and business, we understand families, and with over 50 years of experience in the sector we have a wealth of knowledge which we believe is critical to the preservation of private wealth. Our teams offer in-depth expert knowledge on the local regulatory framework, complimented by the backing of our international group of offices, enabling us to deliver tailored solutions for you.

At Dixcart we know that every family is different, and we treat them as such. We work very closely with our clients, developing a deep understanding of their specific needs, offering bespoke services, recommending the most suitable structures, and providing unwavering support at every stage of the process.

If you are considering establishing a Cyprus family office, please reach out to us at advice.cyprus@dixcart.com. We would be delighted to answer your questions and assist you in safeguarding your family's wealth for future generations.

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