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Residency in Cyprus for Non-EU Nationals: Understanding the Foreign Interest Company (FIC)

Non-EU nationals seeking a practical route to live and work in Cyprus often consider registering a Foreign Interest Company (FIC).

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Introduction

Non-EU nationals seeking a practical route to live and work in Cyprus often consider registering a Foreign Interest Company (FIC). This structure enables eligible companies to employ and sponsor third-country nationals while benefiting from Cyprus' attractive tax and business environment.

This article explains what an FIC is, who qualifies, and how this route can support both business growth and relocation planning. It also outlines how Dixcart Cyprus can assist at each step.

What Is a Foreign Interest Company?

A Foreign Interest Company (FIC) is a Cyprus-registered company that meets specific criteria set by the authorities. Both newly incorporated entities and existing companies can apply for FIC status, provided they satisfy the eligibility requirements.

Importantly:

- Registering as an FIC does not alter your shareholding structure.
- You do not need to amend your Articles of Association.
- Once approved, the company is issued an FIC number, unlocking access to various immigration and business benefits.

From an immigration perspective, the key advantage is the ability to employ non-EU nationals and sponsor residency permits for key personnel and their families.

Eligibility Criteria for FIC Registration

The initial investment may be a deposit, by the shareholder or collectively by the company's shareholders, of an amount of €200,000 in an account held by the company in a credit institution licensed by the Central Bank (in these cases, payment institutions are not included). Alternatively, the company can submit appropriate certificates as evidence of an investment amounting to €200,000, for the purposes of operating the business in Cyprus (e.g. bank statement at the time of deposit of the amount or proof of investment, invoices/receipts for purchase of office space and/or office equipment/machinery, it is noted that all receipts must be on the company's name). Any form of investment must have taken place up to six (6) months prior to the date of submission of the application.

The initial investment criterion of €200.000 is applicable in all the cases described below.

Eligible businesses (e.g. registered local companies (HE) and registered branches of overseas companies (AE)) must meet one of the following criteria:

1. Majority share: the majority of the company's shares are owned by third-country nationals (e.g. third-country shareholder/s collectively possess a nominal capital share 50% plus (+)).
2. Minority share: in case that, the percentage, of the company's shares, owned by a third-country national is equal or less than 50%, the company is eligible if that, foreign, minority shareholder's share has a value of at least €200.000 (e.g. the minority shareholder's 5% nominal capital share has a value of at least €200.000). This requirement is additional to the initial investment of €200.000 as clarified above. In case of choosing the procedures of the Department of the Registrar of Companies and Intellectual Property (DRCIP) in order to prove the relevant requirement, namely "Increase of Authorised Share Capital" (HE14) and/or "Reporting the Allotment of Shares" (HE12), the forms must be accompanied by the corresponding certificate of cash deposit (e.g. SWIFT, company bank account statement).
3. Public companies registered on any recognised stock exchange.
4. Companies of international activities (formerly off-shore), which operated before the change of regime, whose data are held by the Central Bank.
5. Cypriot shipping companies.
6. Cypriot high-tech/innovation companies*.
7. Cypriot pharmaceutical companies or Cypriot companies active in the fields of biogenetics and biotechnology.
8. Companies of whom the majority of the total share capital is owned by persons who have acquired Cypriot citizenship by naturalization based on economic criteria, provided that they prove that the conditions under which they were naturalized continue to be met.
9. Cypriot Private Institutes of Tertiary (Higher) Education licensed by the Ministry of Education, Sport and Youth.

* An enterprise qualifies as 'High Technology Company' if:

(a) it is already established and has a presence in the market, and

(b) it has a high level or experimental R&D intensity, and

(c) it developed product/s that fall into one of the following categories: products related to aviation and space industry, computers, information and telecommunication technology (ICT), pharmaceuticals, biomedical, research and development equipment, electrical machinery, chemicals, non-electrical machinery.

Important

- Companies must commit to employing at **least** *30% Cypriot or EU staff within five years*. After 2 January 2027, compliance with the 70:30 ratio will be assessed for new hires. (70% non-EU staff).
- Foreign Interest Companies must maintain **independent offices** within suitable commercial premises, clearly separated from any private residence or other office.

Key Benefits of Registering as an FIC

In addition to the standard advantages available to Cyprus-registered companies, FICs benefit from specific immigration and tax incentives. Below is an overview of the benefits for both the company and its shareholders.

Residency and Work Permits for Non-EU Nationals

An FIC can sponsor residency and employment permits for its directors, middle management, key personnel, specialists, and the dependent family members for all the aforementioned groups.

This makes the FIC regime one of the most accessible routes for non-EU nationals wishing to live and work in Cyprus.

Personal Income Tax Advantages

Employees and executives relocating to Cyprus under an FIC can benefit from Cyprus' attractive Non-Domicile (Non-Dom) regime. We have written a detailed article on this regime but the key incentives include:

- Exemption from taxation on dividends and interest for Non-Dom individuals
- No tax on capital gains, except on Cyprus immovable property

These benefits can significantly reduce personal tax exposure for internationally mobile professionals.

Additionally, there is a 20% or 50% reduction on personal income tax for salaried services, subject to conditions.

Corporate tax efficiencies

Cyprus offers one of the most competitive corporate tax frameworks in the EU. Which we have written about in full in our detailed article. However, the key advantages include:

- 15% standard corporate tax rate

- Possible effective tax rates as low as 3% through Notional Interest Deduction (NID), where applicable
- No withholding tax on dividend distributions
- Exemption on dividend income received by Cyprus companies (subject to conditions)

These features make Cyprus an attractive base for international business operations.

Important Note: Cyprus Tax Residency

Residency for immigration purposes does not automatically confer tax residency. If you wish to understand tax residency rules and associated benefits, please review our Tax Residency article and our Non-Domicile article.

How Can Dixcart Help?

With over 50 years of international advisory experience, Dixcart Cyprus helps clients establish a smooth and compliant path to relocating themselves, their families, or their business operations.

We provide:

- Guidance on FIC eligibility and registration
- Full corporate services, including incorporation and administration
- Immigration support for work and residency permits
- Ongoing compliance and advisory assistance

If you are considering moving to Cyprus or establishing a Foreign Interest Company, our team can help you evaluate the most suitable approach. To discuss your plans or explore whether an FIC is right for you, please contact us at advice.cyprus@dixcart.com

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We will be pleased to support you with clear guidance and practical solutions tailored to your needs.