

Cyprus: A Year in Summary – Private Wealth, Business, and Taxation in 2024

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By **Jake Magell**, 25th November 2024

Introduction

Throughout 2024, we have shared various articles explaining and highlighting the benefits and routes available to those moving to Cyprus. We have also covered the corporate benefits and the required parameters for establishing a company in Cyprus.

In our final article for 2024, we highlight the key information from the last 12 months, with additional links for those looking for more detail.

Individuals

Cyprus Tax Residency for Individuals

Cyprus tax residency rules are simple, there are only two rules. The 183-day rule and the 60-day rule. The 60-day rule means you could be considered tax resident after spending only 60 days in Cyprus each year, subject to further conditions.

It is also possible to receive a government issued tax residency certificate to provide to other jurisdictions to evidence your tax residency if required.

The Cyprus Non-Dom Regime

Cyprus has a very competitive **Non-Domicile Regime** which taxes an individual on their worldwide income at special rates. This means individuals can remit their income to Cyprus and use it, rather than keeping it ringfenced in a separate jurisdiction.

The special rates include 0% income tax on most Dividends, Interest, Capital Gains and Royalties. On top of this there is also no wealth or inheritance tax in Cyprus.

The Non-Dom Regime is available for 17 years in the first 20 years of tax residency and does not have a cost of participation like many others from across Europe.

Moving to Cyprus

There are a number of routes to gain residency in Cyprus, but they can be broken down into routes for EU and EEA nationals and routes for non-EU and EEA nationals, otherwise known as 3rd country nationals.

The **route for EU and EEA nationals** is simple. Due to EU directives, any EU and EEA national has the right to live and work in Cyprus, which is a member state of the EU. This means that the process is fast and straightforward and comes down to providing evidence to show that you will not become “a burden on the social security system of the Republic of Cyprus”.

For 3rd country nationals there are a number of options but the most common of them is through establishing a **Foreign Interest Company (FIC)** or through **Permanent Residency by Investment (PRP)**. These both have individual specific advantages and requirements but the most notable is the right to work. Under the FIC method, 3rd country nationals have a residence and work permit, whereas under the PRP they do not have the right to undertake any form of employment within Cyprus.

Corporates

The Cyprus Corporate Tax Regime

Provided that a company has sufficient **Economic Substance** in Cyprus, it is considered Cyprus Tax Resident, and as a result can make the most of the fantastic **Corporate Tax Regime** available.

Some of these benefits include 0% Corporation tax on most Dividends, Interest, Capital Gains and Royalties as well as a standard rate of 12.5% corporation tax on revenues, which can be reduced to as little as 2.5% if your company is eligible to apply the **Notional Interest Deduction (NID)**.

There are also no Withholding Taxes in Cyprus and over 60 double tax treaties making disbursing funds and receiving funds highly tax efficient.

The above benefits make Cyprus the perfect place for a Holding Company or a **Family office**, as it is a fantastic place to **manage your investments from**.

How Can Dixcart Cyprus help?

With over 50 years of experience in the sector, we have a wealth of knowledge in assisting families, and our teams offer in-depth expert knowledge on the local regulatory framework along with the backing of our international group of offices to help us find the perfect solution for you.

At Dixcart we know that every individual's needs are different, and we treat them as such. We work very closely with our clients and have an in-depth understanding of their needs. This means we can offer the most bespoke services possible, propose the most appropriate structures, and support your specific requirements every step of the way.

We offer services ranging all the way from company incorporation, Management and accounting services, and company secretarial services all the way to providing a serviced office for your Cypriot company.

Get In Touch

If you are interested in discussing your options and how using Cyprus to manage your wealth could help you, please contact us. We will be happy to answer any questions you have and assist in any way we can: advice.cyprus@dixcart.com.