

Evaluating Your Residency: Cyprus as an Attractive Option for UK Non-Doms

Cyprus is an appealing European jurisdiction, located in the eastern Mediterranean Sea offering a warm climate and attractive beaches.

By **Jake Magell**, 10th June 2024

Introduction

Given the ongoing uncertainty around the UK's Non-Domiciled (Non-Dom) tax regime, many UK resident non-dom's are evaluating the potential impacts and considering their options outside the UK. With over 50 years of experience in advising clients on jurisdictional changes and beneficial solutions, the professionals at Dixcart Cyprus have prepared insights to assist you in your decision-making process.

Should I Leave the UK?

The recent proposal to scrap the remittance basis of taxation has prompted many Non-Doms to reconsider their UK tax residency. Relocating involves numerous factors such as family situation, income sources, new tax exposures, visa/residency permit requirements, and lifestyle preferences. While the decision is personal and complex, we can highlight some key benefits of relocating to Cyprus to help inform your choice.

Could Relocating to Cyprus Be the Answer?

Cyprus, with its 320+ sunny days a year, stunning beaches, vibrant cities, and national parks, is much more than "a rock in the middle of the sea". It is the 3rd largest Mediterranean island and home to over 1.2 million people, including a significant expatriate community. Strategically located at the crossroads of three continents, Cyprus offers excellent connectivity through its two international airports.

The island boasts diverse living options from modern sea-view apartments in bustling cities like Limassol—dubbed “little Dubai” for its impressive skyline—to serene cottages in picturesque villages. Cyprus is renowned for its safety, excellent educational institutions, robust healthcare system, and a cost of living that is often lower than many other popular destinations for Non-Doms.

In addition to lifestyle benefits, Cyprus offers an attractive Non-Dom tax regime. While Non-Doms are taxed on worldwide income, several exemptions make it a favourable destination. Dividends, interest, and capital gains are exempt from personal income tax, even when remitted to Cyprus, allowing you to enjoy your wealth locally. Cyprus, as an EU member, provides access to EU initiatives and over 60 double tax treaties.

For EU citizens, relocating to Cyprus is straightforward with no visa requirements. Non-EU citizens can benefit from several favourable residency routes, such as establishing a Foreign Interest Company (FIC), which allows directors and key personnel to apply for residency and work permits for themselves and their families. Cyprus also has one of the shortest presence requirements in Europe to be considered a tax resident, with options as short as 60 days under specific criteria.

How Can Dixcart Help?

At Dixcart, we leverage over 50 years of experience to assist individuals worldwide in finding tailored solutions and executing their plans. For immigration clients, we provide comprehensive support, from gathering required documents for visa/residency permits to guiding you through tax structuring and even accompanying you to immigration offices.

If you are considering a move from the UK or any other jurisdiction to Cyprus, reach out to us to see how we can assist you at advice.cyprus@dixcart.com.
