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# How Indian Families and NRIs Can Benefit from a Cyprus Holding Company

This article outlines how a Cyprus Holding Company can serve as a practical, compliant, and efficient vehicle for Indian individuals

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

**Introduction**

Indian high-net-worth individuals are increasingly reviewing how and where they hold global assets. While many are consolidating wealth and operations in India, a growing number of Non-Resident Indians (NRIs) are establishing international structures to enhance efficiency, flexibility, and protection.

Although the UAE remains a preferred destination, more families and entrepreneurs are now looking beyond it — seeking jurisdictions that combine stability, transparency, and long-term strategic value.

One jurisdiction that has gained significant traction among both Indian resident and NRI investors in recent years is Cyprus. Its alignment with English Common Law, EU membership, and investor-friendly tax framework make it ideal for those wishing to hold assets in Europe while maintaining strong ties to India and the Middle East.

This article outlines how a Cyprus Holding Company can serve as a practical, compliant, and efficient vehicle for Indian individuals and families to structure and preserve their international wealth.

**The Benefits of Using a Cyprus Holding Company**

Cyprus offers one of the most competitive corporate tax frameworks in the EU, with a standard rate of 12.5%. Through the Notional Interest Deduction (NID) mechanism, this can effectively be reduced to as low as 2.5%, subject to specific conditions

Several income streams benefit from ful or partial tax exemptions, including:

- Dividend income
- Interest income (excluding interest arising from ordinary business activities, which is taxable)
- Foreign exchange gains (except those linked to currency trading or related derivatives)
- Gains from the disposal of securities

Additionally, there is no withholding tax on dividends, interest, or royalties paid to non-resident shareholders. There is also no capital gains tax, except on the sale of immovable property located in Cyprus or shares in a company that holds such property.

Cyprus also maintains an extensive network of Double Taxation Treaties (DTTs), including India, the UAE and other popular places to invest. As an EU member state, Cyprus benefits from EU Directives, notably the EU Parent-Subsidiary Directive, which allows for tax-efficient repatriation of profits between group companies within the EU, provided the relevant substance and residency criteria are met.

For Indian families managing global investment portfolios, these features make Cyprus an attractive jurisdiction through which to hold and manage assets, invest into Europe, or consolidate ownership of international operating companies.

**Economic Substance**

In today’s global tax landscape, economic substance is no longer optional. Cyprus has fully aligned with OECD and EU substance standards, encouraging genuine business activity and transparent governance.

Rather than seeing these requirements as restrictive, Indian investors can view them as a strategic advantage. Establishing a Cyprus holding company with real substance not only enhances credibility with regulators and financial institutions and regulators but also provides greater protection against challenges from tax authorities in both the country of residence and source jurisdictions.

A well-structured Cyprus entity meets international standards for compliance and transparency , ensuring it remains OECD-compliant and whitelisted, and simplifying banking, investment, and cross-border operations.

As international tax frameworks continue to evolve, maintaining a compliant structure in a robust jurisdiction such as Cyprus will help future-proof your wealth planning strategy, reducing the likelihood of future disruptions or restructuring needs.

### How Can Dixcart Help You?

Dixcart Cyprus provides efficient, solutions-driven corporate support within one of the EU’s most flexible and well-regulated jurisdictions. Our team combines local technical expertise with the strength of the international Dixcart network, delivering clear, practical guidance from formation to ongoing administration.

We assist clients in establishing and maintaining Cyprus companies that meet all governance and substance requirements. Our services include:

- Company formation and administration
- Accounting and management support
- Provision of qualified local directors and company secretarial services
- Assistance with banking, investment, and asset management coordination

For clients establishing an operational presence, we also offer serviced office facilities at the Dixcart Business Centre in Limassol — providing a ready, professional base in Cyprus.

As a family-led firm with over 50 years of experience, Dixcart understands how to protect and grow wealth across generations. Whether based in India or abroad, our goal is to create efficient, compliant structures that align with your long-term ambitions.