

Options for UK Residents Considering Relocating to Cyprus

Major UK tax changes took effect from April 2025. These include the introduction of a residence-based tax system replacing the non-dom regime, changes to capital gains tax reliefs, the treatment of furnished holiday lets as standard property, and the continued freezing of personal allowances and thresholds for the 2025/26 tax year.

By **Katrien de Poorter**, 23rd March 2026

Introduction

Major UK tax changes took effect from April 2025. These include the introduction of a residence-based tax system replacing the non-dom regime, changes to capital gains tax reliefs, the treatment of furnished holiday lets as standard property, and the continued freezing of personal allowances and thresholds for the 2025/26 tax year. Further changes are anticipated, including dividend tax increases planned for 2026.

As a result, any UK residents, including former non-doms and long-term UK taxpayers, are reviewing alternative jurisdictions to optimise their tax position. Cyprus therefore comes into the picture as a pleasant, warm and attractive destination. Cyprus offers appealing tax incentives for both corporates and individuals, high quality public and private healthcare services, advanced service infrastructure, and a reasonable cost of living.

If you are planning to relocate to Cyprus, we have outlined below some options for consideration.

Client Scenarios

Mr J and Mrs D

Originally from Canada, Mr J and Mrs D have resided for several years in the United Kingdom under the previous non-dom regime and are now seeking to relocate to Cyprus. They have reached retirement age and their assets consist of several investment portfolios, real estate, and legacy assets. Their children are grown up and live in EU and non-EU countries. They both enjoy travelling to visit their children and to discover new places.

Mr W

Mr W is a young UK entrepreneur in the information technology industry, is seeking to optimise the tax position of his UK company. He is also looking to relocate to another jurisdiction that enhances his personal tax position. Cyprus appears very attractive for both corporations and individuals.

Mrs M

Mrs M is a UK national who owns a UK-based company providing marketing services. As her work is entirely online, she wishes to relocate to Cyprus while continuing to operate her UK company.

What would be the most suitable residency option in Cyprus for each individual?

Third country non-domiciled UK residents moving to Cyprus

A. Moving to Cyprus from the UK as an Investor (Permanent Residency Permit)

The recently revised [Residency by Investment programme](#) allows foreign nationals to obtain permanent residency by investing in a Cypriot property with a value of at least €300,000, plus VAT. There are other investment options available. Applicants must also have an annual income of at least €50,000, plus €15,000 for a spouse and €10,000 for each dependent child or family member included in the application.

The applicant and their spouse must certify that they do not intend to be employed in the Republic of Cyprus except for employment as Directors in a Company in which they have chosen to invest within the framework of the policy.

B. Living in Cyprus with a Temporary Residence Permit

1. Establishment of a Foreign Interest Company

[A Foreign Interest Company](#) is an international company, which, subject to meeting specific criteria, can employ non-EU national employees in Cyprus. This route enables employees and their families to obtain residence and work permits under favourable terms.

The main requirements enabling an international company to qualify as a Foreign Interest Company are:

- Third country shareholder(s) must own more than 50% of the total share capital of the company.
- There must be a minimum investment of €200,000 into Cyprus by third country shareholder(s). This investment can be used later to fund future expenses incurred by the company once established in Cyprus.
- Other requirements apply.

2. Acquiring a Temporary Residence Permit as an Employee at a Foreign Interest Company

Employees at Foreign Interest Companies and their family members can obtain temporary residence and work permits which are renewable.

3. Temporary / Retirement / Self-Sufficiency Residence Permit

The Cyprus Temporary Residence Permit is an annually renewable self-sufficiency visa that allows an individual and their qualifying dependants to live in Cyprus as visitors without employment rights.

The main qualification requirements are as follows:

- Minimum annual income (sourced from outside Cyprus) of €24,000, increasing by 20% for a spouse and by 15% for each dependent child.
- A title deed or rental agreement for a residential property in Cyprus that is for the sole use of the applicant and his/her family.
- A certificate of 'no criminal record' and confirmation of not being under investigation for criminal offences, certified by the relevant authorities in the country of current residency.
- Private medical insurance.
- An original medical examination certificate to confirm that the applicant does not have certain medical conditions.

Applying the Options to the Client Scenarios

Mr J and Mrs D selected the Permanent Residency through Investment. This allows them to travel extensively as it is not necessary to reside continuously in Cyprus, although a visit once every two years is required. To acquire tax residency, they must spend at least 183 days in Cyprus. The PRP card also facilitates applications for Schengen visas, granting access to the Schengen Zone for short stays. In the future, a Cypriot passport provides visa free access to more than 170 countries, making Cyprus a strong EU entry point.

Mr J chose to establish a Foreign Interest Company in Cyprus to structure his IT business, whereby he can enjoy from the beneficial corporate tax rate in Cyprus and special type of taxation. He will be employed as a Director of the Foreign Interest Company and will be able to relocate non-EU staff and his family members to Cyprus. Mr J will also benefit from attractive personal income tax incentives, including a 50 percent deduction on taxable income and no tax on dividends received from the company.

Mrs M opted for the self-sufficiency residence permit, as this allows her to relocate to Cyprus while sourcing income from abroad through online work for her UK company.

How Can Dixcart Cyprus Help?

With over 50 years of experience in the sector, Dixcart Cyprus 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. We offer as well immigration services whereby you will be guided during the whole process.

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