

UK Non-Domiciled Individuals Seeking to Relocate to Cyprus

Recently there is widespread speculation that the UK non-domiciled regime is under active review by the UK's Treasury Department. Therefore, many UK non-domiciled residents may start the decision process to relocate to tax efficient jurisdictions.

By **Jake Magell**, 7th February 2024

Introduction

Following the announcement in March 2024 from the UK's Treasury Department, that the current UK non-domiciliation rules will cease to exist from 6 April 2025, many UK non-domiciled residents may take the decision to relocate to a more tax efficient jurisdictions.

The Benefits of Cyprus

- Attractive tax incentives for individuals wishing to become Cyprus residents
- Excellent education infrastructure
- Reasonable cost of living
- High quality public and private health care services
- Advanced infrastructure of services

- A warm and friendly community in which to live
- Simple tax regime that is fully EU and OECD compliant
- Well drafted laws on Corporate and Commercial matters
- Easy access to international litigation and arbitration

Moving to Cyprus

There are various options in terms of moving to Cyprus, as outlined below:

EU Non-Domiciled UK Residents Moving to Cyprus.

Nationals of EU Member States have the right to move freely within the European Union and to enter and reside in any EU Member State. This right to freedom of movement is guaranteed by article 21 of the treaty on the functioning of the EU (TFEU).

EU and EEA Citizens entering Cyprus to work, stay, or remain as visitors for more than 3 months on the island need to register for a residence permit for EU citizens. The registration certificate they get is commonly known as Yellow Slip.

Third country non-domiciled UK residents moving to Cyprus.

A. Moving to Cyprus from the UK as an Investor

The recently revised Residency by Investment programme allows foreign nationals to obtain permanent residency by investing in a Cypriot property worth at least €300,000, plus VAT. 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 his/her spouse must certify that they do not intend to be employed in the Republic of Cyprus except for their employment as Directors in a Company in which they have chosen to invest within the framework of the policy, as detailed below.

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 gain 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 or €260,000 (depending on the circumstances) into Cyprus by third country shareholder(s). This investment can be used later to fund future expenses incurred by the company when it is established in Cyprus.

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

Employees at Foreign Interest Companies and their family members can acquire 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 a visitor, without employment rights.

The main qualification requirements are as follows:

- Minimum annual income (sourced from outside Cyprus) of €24,000, which increases 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 of not being under investigation for criminal offences, certified by the relevant authorities in the country where the applicant is currently residence.
- Private medical insurance.
- An original medical examination certificate to confirm that the applicant does not have certain medical conditions.

It is essential that the holder of a Cyprus temporary residence permit should not stay outside of Cyprus for more than three months at a time, which could result in the permit being rejected or revoked.

Additional Information

For further information, please contact the Dixcart office in Cyprus:
advice.cyprus@dixcart.com.
