



***Taxation  
July Newsletter  
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***Amendment to the definition of Cyprus tax resident individual***

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We would like to inform you that the House of Representatives voted on 14 July 2017 an extension to the definition of "Cyprus tax resident" for individuals in order to include a person that satisfies **all** the below conditions:

1. Does not spend more than 183 days in aggregate in any other state within the tax year
2. Is not a tax resident of any other state within the tax year
3. Resides in Cyprus for at least 60 days within the tax year
4. Carries on a business in Cyprus or is employed in Cyprus or holds an office in a Cyprus tax resident company at any time during the tax year. It is noted that in case the business, employment or holding of an office under this condition is terminated during the tax year, the person shall not be considered a Cyprus tax resident for that particular tax year.
5. Maintains a permanent residence in Cyprus (either rented or owned)

It is noted that the previous provision of the Law under which a person was considered as tax resident of Cyprus if he / she stayed in Cyprus for more than 183 days during the tax year (without any additional conditions) remains unchanged.

In this respect, persons residing more than 183 days within a tax year in Cyprus or persons who spend less than 183 days in Cyprus but meet the conditions indicated above, will be considered as tax residents of Cyprus and will be able to benefit from the tax advantageous regime of Cyprus which includes the following tax benefits:

- Tax exemption for gains from sale of qualifying titles
- Tax exemption for dividend and interest income for tax resident but not domiciled persons
- 50% tax exemption on employment income exceeding Euro 100.000

The amendment in the Law will be effective from **1 January 2017**.

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