



Non-Domicile Individuals in Cyprus

It is time for relocation to Cyprus

According to the Section 3(2) of the Special Contribution for the Defence Fund of the Republic Law (“SDC Law”), dividends, interest and rental income earned (regardless of the source of the income - i.e. from Cyprus or from abroad) by individuals who are (i) tax residents **and** (ii) domicile in Cyprus are subject to SDC.

Income:	SDC rate
- Dividend Income	17%
- Interest Income	30%
- Rental Income	2.25%

Tax resident individuals who are considered as non-domicile should be exempted from SDC.

Tax Resident individual

According to the Income Tax Law, an individual will be considered as a tax resident of Cyprus if the individual satisfies either the “183 days rule” or the “60 days rule” for the tax year:

- 183 days rule

An individual can be tax resident in Cyprus if stays in the Republic for a period or periods exceeding in aggregate 183 days in the year of assessment (i.e. calendar year).

- 60 days rule

The “60 days rule” for Cyprus tax residency applies to individuals who in the relevant tax year:

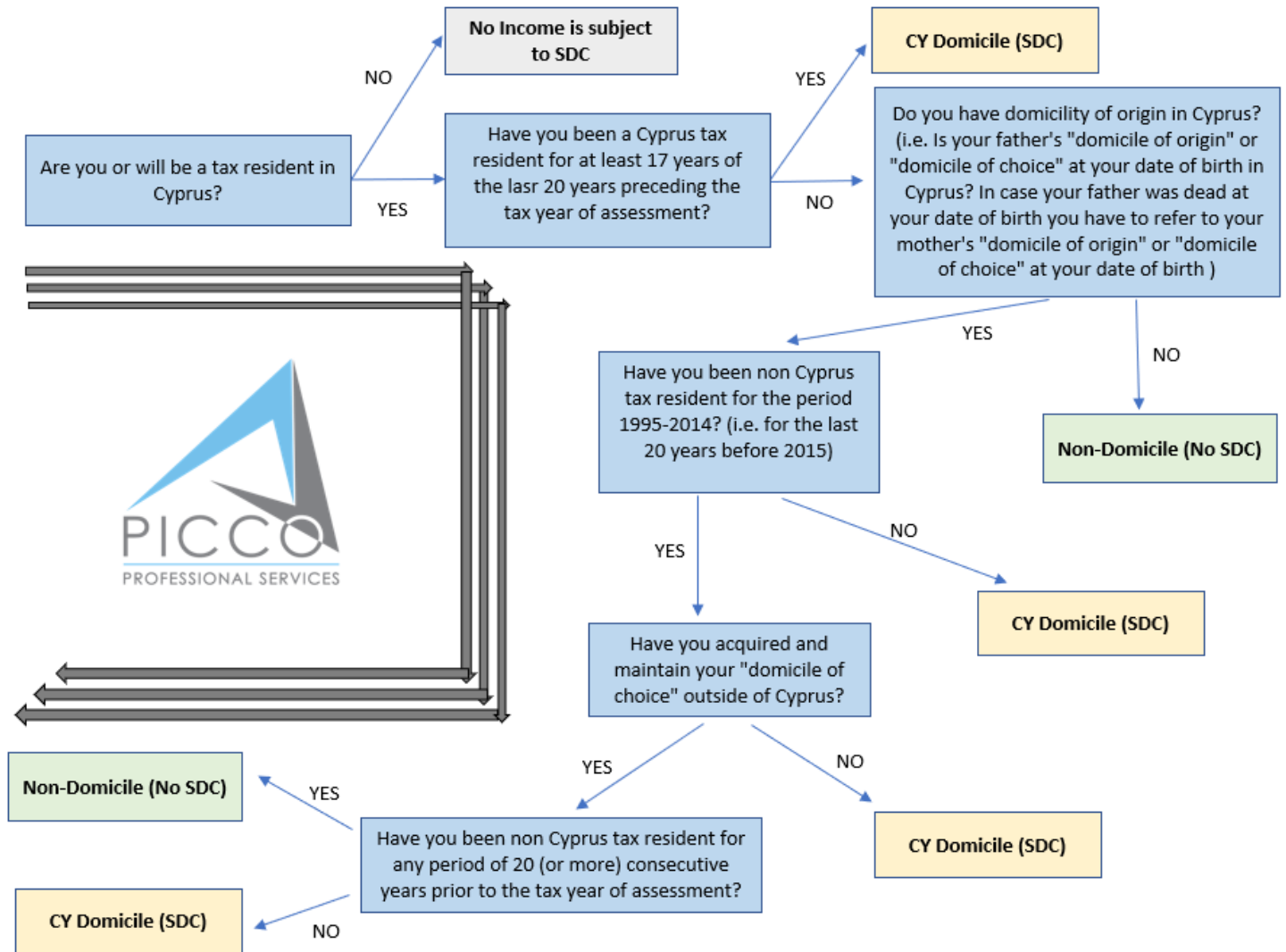
- (i) do not reside in any other single state for a period exceeding 183 days in aggregate, **and**
- (ii) are not tax resident in any other state, **and**
- (iii) reside in Cyprus for at least 60 days, **and**
- (iv) have other defined Cyprus ties. To satisfy this condition the individual must carry out any business in Cyprus and/or be employed in Cyprus and/or hold an office (director) of a company tax resident in Cyprus at any time in the tax year, provided that such is not terminated during the tax year. Further the individual must maintain in the tax year a permanent residential property in Cyprus which is either owned or rented by the individual.

Domicile individual

An individual is considered as “domiciled in Cyprus” for SDC purposes, if such an individual has a domicile of origin in Cyprus as this is defined in the Wills and Succession Law. In addition, an individual who has been a tax resident of Cyprus for at least 17 years out of the 20 years prior to the tax year, will be considered as “domiciled in Cyprus”, as well.

Considering the above, tax resident but non-domicile individual will enjoy dividend, interest and rental income free from SDC tax in Cyprus. It is important to note that dividend and interest income are exempted (under conditions) for income tax purposes, as well. Hence, a Non-Dom individual may take dividend and interest income tax free.

Non-Domicile Flow-Chart



About Us



PICCO Cyprus

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