



Cyprus Tax News Extension to the definition of “Cyprus tax resident individual”

On 14 July 2017, the House of Representatives approved an amendment to the Income Tax Law that extends the definition of “Cyprus tax resident individual”. The amendment applies retroactively as from 1 January 2017.

According to the legislation, an individual who spends more than 183 days in Cyprus is considered Cyprus tax resident.

With the amendment to the legislation and the introduction of a new “60-day” rule, an individual who does not satisfy the above condition may still be deemed to be Cyprus tax resident if he/she:

- does not spend more than a total of 183 days in any other country within a tax year and;
- is not a tax resident of another country within the same tax year,

and the following three conditions are met:

- i. The individual must remain in Cyprus for at least 60 days in the tax year;
- ii. The individual must carry on a business in Cyprus, be employed in Cyprus or hold an office in a Cyprus tax resident person at any time during the tax year; and
- iii. The individual must maintain a permanent home in Cyprus that is either owned or rented.

It should be noted that, if the employment/business or holding of an office is terminated, the individual will cease to be considered a Cyprus tax resident for that tax year under the new rules, but may still be considered tax resident if the basic 183 day rule is satisfied.

We are at your disposal to discuss the above development with you.



Get in touch

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