



## Cyprus: the “60-DAY RULE”

In July 2017, the Cyprus House of Representatives has voted an amendment to the Income tax law by introducing the “60-day rule” as a second test for determining the Cyprus tax residency of individuals.

Up to 2016 tax year, an individual is considered to be tax resident in Cyprus if he was in Cyprus for more than 183 days in any calendar year.

Effective from 2017, an individual can be considered as tax resident in Cyprus if he spends at least 60 days in Cyprus provided that the individual:

- a) do not reside on any other country for more than 183 days, and
- b) are not tax resident in any other country, and
- c) have other defined Cyprus ties. To satisfy this condition the individual must
  - i. carry business in Cyprus and/or
  - ii. be employed in Cyprus and/or
  - iii. hold an office of a Cyprus tax resident company (i.e. director), provided that is not terminated during the tax year
  - iv. further the individual must maintain permanent residence in Cyprus, either owned or rented

The previous “183 day rule” is also maintained so that an individual staying in Cyprus for more than 183 days in a year is automatically tax resident in Cyprus

Please note that Cyprus tax resident individuals who are Non-Domiciled in Cyprus are **exempt** from taxation on dividend income earned worldwide and on passive interest income.

**PLEASE FEEL FREE TO CONTACT US WITH ANY QUESTIONS OR QUERIES.**

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