



# Gramaro Accounting Services Ltd

Member of Andreas Sofocleous Group of Companies

## Cyprus Tax Residency

An individual is Tax resident in the Republic if he/she stays in Cyprus for a period or periods exceeding an aggregate 183 days in the year of assessment.

On 14 July 2017, the Parliament of Cyprus approved a bill which amends the criteria for determining the Tax Residency of individuals in Cyprus.

As of 1 January 2017, an individual who

- does not remain in any other State for one or more periods which altogether exceed 183 days in the same tax year and
- is not a tax resident of any other State within the same tax year;

and cumulatively meets the following three conditions:

- (1) Remains in Cyprus for at least 60 days in the tax year;
- (2) Carries on any business in Cyprus and/or is employed in Cyprus and/or holds an office to a Cyprus tax resident person at any time during the tax year and
- (3) Maintains a permanent residence in Cyprus that is either owned or rented by such individual

will be considered as a Cyprus Tax Resident.

In the case of a person who is tax resident in Cyprus, tax is levied on all income accruing or arising from sources both within and outside Cyprus.

In the case of a person who is not tax resident in Cyprus, tax is levied on the income accruing or arising from sources in Cyprus only.

Any tax suffered abroad on income subject to income tax in Cyprus will be credited against any Cyprus income tax payable on such income irrespective of the existence of a tax treaty.

For the purposes of calculating the days of stay in Cyprus:

- The day of departure from Cyprus counts as a day of residence outside Cyprus.
- The day of arrival in Cyprus counts as a day of residence in Cyprus.
- Arrival and departure from Cyprus in the same day counts as one day of residence in Cyprus.
- Departure and arrival in Cyprus in the same day counts as one day of residence outside Cyprus.

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