



M.C. FANDEOS CO LTD

Chartered Certified Accountants

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Tax update - August 2017/01

Amendment of the term "Cyprus tax resident individual"



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Further to our previous July 2017 tax newsletter regarding the proposed amendment of the term "**Cyprus tax resident individual**", on 14 July 2017 the House of Representatives voted into law the proposal changing the definition of "**Cyprus tax resident individual**".

As of 01 January 2017, individuals who do not spend more than a total of 183 days within a tax year in any other country and are not a tax resident of another country within the same tax year, they may be considered as a Cyprus tax residents if **all** of the following three conditions are met:

1. Remain in Cyprus for a period of at least 60 days in the tax year.
2. Carry on a business in Cyprus or they are employed in Cyprus or hold an office in a Cyprus tax resident person at any time during the tax year.
3. The individuals have a permanent residence in Cyprus either through ownership or rental

It is important to note that, if the employment/business or holding of an office as per condition (2) is terminated, then the individuals shall cease to be considered a Cyprus tax residents for that tax year.

It should also be noted that Individuals may still be considered Cyprus tax residents in a tax year if the pre-existing basic 183 day rule is satisfied.

This law enters into force on 1 January 2017.

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