



Tax breaks for new employments in Cyprus amended

11 July 2023 – Further to our [Tax Alert No. 161](#), which was issued on 22 August 2022 relating to the introduction of new tax breaks for new employments in Cyprus, the House of Representatives recently voted further amendments to the Income Tax Law (“ITL”) in relation to the provisions of Article 8(23A).

Article 8(23A) provides a 50% exemption from income tax on the employment related remuneration of eligible individuals (subject to conditions).

The amendments that were made to article 8(23A) are applicable retroactively from 1 January 2022 and are the following:

- The exemption from income tax will be granted if the individual was not a resident of Cyprus for 15 consecutive years (previously 10 years) prior to any employment in Cyprus.
- Individuals who meet the conditions for the 50% exemption are allowed to continue to benefit from this exemption even if they change employer. Previously, the exemption was only granted for the first employments in Cyprus.
- The exemption will be granted for a period of 17 years from the date of employment (or until the provisions of article 8(23A) are repealed).

It should be noted that the above amendments also apply to the transitional provisions that were initially introduced in article 8(23A) when the legislation was published in the Official Government Gazette on 26 July 2022.

As always, the Department of Taxation of Costas Tsielepis & Co Ltd is at your disposal should you require any further information, clarifications or assistance with your direct tax or any other tax-related matter.