



Cyprus tax residency certificates now issued before tax year's end

21 March 2017 – As of this month, the Cyprus Tax Department will issue tax residency certificates for individuals before the relevant tax year's end.

According to a Circular issued by the Tax Department on 10 March 2017, individuals may be granted a tax residency certificate at any time in a given tax year without first having to reside in Cyprus 183 days in aggregate.

The Tax Department said the new policy aims at allowing tax residents of Cyprus to take better advantage of the island's Double Tax Treaties when receiving income from sources outside of Cyprus, which has not been taxed at the source.

The policy followed by the Tax Department before the Circular was that an individual would be considered a resident in Cyprus, only after he or she resides therein for a period or periods which in aggregate exceed 183 days in the year of assessment.

To take advantage of the new policy, interested parties will need to sign a declaration stating that they intend to stay in Cyprus for one or more periods exceeding in aggregate 183 days in a given tax year in order to become Cyprus tax resident for the year in question.

If for any reason, they fail to become tax residents in the said year, they are committed to inform the Tax Department for them to cancel the certificate.

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