



## 60 Days Tax Residency Clarified

*10 October 2017* – The conditions for securing a tax residency certificate based on the 60 days tax residency status and the applicants' obligations and responsibilities were clarified last month by the Cyprus Tax Department.

The Commissioner of Taxation issued on 22 September 2017 [Interpretation Circular No. 8](#) relating to the issuance of a tax residency certificate based on the recently announced 60 days tax residency status (see our [Tax Alert No.56](#)).

In summary, as of **1 January 2017** an **individual** will be considered a **Cyprus tax resident** if he/she:

- does not spend more than a total of 183 days in any country within a tax year; **and**
- is not a tax resident of another country within the same tax year

**and** satisfies the following three conditions:

- (a) remains in Cyprus for at least 60 days during the tax year;
- (b) **carries on a business** in Cyprus or is **employed** in Cyprus or **holds an office** in a Cyprus tax resident company at any time during the tax year; and
- (c) maintains a permanent residence in Cyprus, which can be either owned or rented.

It is important to note that, if the employment/business or holding of an office as per (b) above is terminated, then the individual shall cease to be considered a Cyprus tax resident for that tax year under the 60 days tax residency scheme.

Interpretation Circular No. 8 provides that in order for an individual to obtain a tax residency certificate based on the 60 days rule, he/she must submit [Form T.D. 126](#) properly completed and duly signed by the applicant to ensure that all information given is true and correct under the provisions of the Assessment and Collection of Taxes Law of 1978.

Together with Form T.D. 126 the taxpayer should also submit the following documentation:

- Copies of passports with stamps of entry and exit from Cyprus, boarding passes, electronic tickets etc.
- Lease agreement or title deed of the taxpayer's Cyprus residence.
- Employment contract to be valid within the relevant tax year.

As always, The Taxation Department of Costas Tsielepis & Co Ltd is at your disposal should you require any further information or clarifications.