

## Tax News

### The “60 day” tax residency rule test for individuals

An individual is considered as tax resident of Cyprus if the individual satisfies

either

the “183 day rule”

or

the “60 day rule”.

On 14 July 2017 the Cyprus Parliament voted for a Cyprus tax law amendment adding the “60 day rule” in addition to the “183 day rule” for tax resident individuals of Cyprus.

The law is effective as from the tax year 2017 and an individual will be considered as tax resident of Cyprus if the individual satisfies either the “183 day rule” or the “60 day rule”.

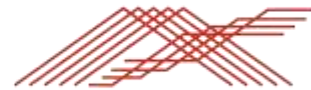
The “60 day rule” applies to individuals who in the relevant tax year

- (i) reside in Cyprus for one or more periods which add up to at least 60 days **and**
- (ii) do not reside in any other State for a period exceeding 183 days in aggregate **and**
- (iii) are not tax resident of another state **and**
- (iv) have other defined Cyprus ties. To satisfy this condition the individual must carry out any business in Cyprus and/or be employed in Cyprus and/or hold an office (director) of a company tax resident in Cyprus at any time in the tax year, provided that such is not terminated before the end of the tax year **and**
- (v) the individual must maintain in the tax year a permanent residential property in Cyprus which is either owned or rented by the individual



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Chartered Certified Accountants

## The days in and out of Cyprus are calculated as follows:

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

Cyprus tax residents are subject to tax on their worldwide income. Non-tax residents are only taxed on their income accrued or derived from sources in Cyprus.

A Cyprus tax resident individual is exempt from taxation in Cyprus on his/her worldwide dividend and passive interest income where the individual is not domiciled in Cyprus for Cyprus tax purposes.

### How we can help

We can assist individuals in assessing their Cyprus tax position under the new amendment and what relevant action they need to take.

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Apserou Shiaka & Co Ltd  
Year 2017

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## Our services

- Audit and Assurance Services
  - Accounting and Vat
  - Consulting and business advisory
  - Management services
  - Tax consulting (Taxation and International Tax planning)
  - International Business Company Services
  - Training and Seminars
  - Office facilities
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