



AMENDMENTS TO THE DEFINITION OF CYPRUS TAX RESIDENT

On 14 July 2017 an amendment to the definition of Cyprus Tax Resident as per the Income Tax Law has been voted by the House of Representatives.

Under the provisions of the Cyprus Income Tax Law prior to the amendment, the definition of the “Cyprus Tax Resident” term was that an individual was considered as tax resident in the Republic if he/she stayed in the Republic for a period/periods exceeding in aggregate 183 days in the tax year (**the “183 day rule”**).

The definition has been amended to also include the following:

As of 1 January 2017 any individual who:

- does not stay in any other country for a period/periods exceeding in aggregate 183 days in the tax year, and
- is not tax resident in any other country for the same year

is deemed as Tax resident in the Republic if the following conditions are met:

- the individual stays in Cyprus for at least 60 days in the tax year (**the “60 day rule”**), and
- exercises any business, and/or is employed and/or holds an office in the Republic at any time during the tax year, and
- maintains (owned, leased) a permanent home in the Republic

will be considered as a **Cyprus Tax Resident**.

In the event that the employment/business or holding of an office with a tax resident person in the Republic is terminated, then the individual shall cease to be considered a Cyprus tax resident for that tax year.

The 183 day rule continues to be applicable, so an individual will be considered a Cyprus tax resident if he/she satisfies either the 183 day rule or the 60 day rule.