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Issuance of tax residence certificates based on 60-day residence rule



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Corporate Tax, Cyprus

The Cyprus Tax Department has issued a circular (EE 33 dated 29 January 2019) giving guidance on the tax residence provisions for individuals introduced by Law 119(I)/2017. With effect from the beginning of 2017, individuals who are physically present in Cyprus for one or more periods amounting to at least 60 days during a tax year will be deemed to be tax resident in Cyprus as long as they meet all of the following conditions in respect of that tax year:

- they do not remain in another country for one or more periods exceeding 183 days in total;
- they are not tax resident in another country;
- they undertake business in Cyprus, have employment in Cyprus or hold a position in a Cyprus tax-resident company which continues until the end of the tax year; and
- they maintain a permanent residence at their disposal for their use in Cyprus.

The circular makes clear that an individual who holds office as a director of a Cyprus tax-resident company and delegates this office to an alternate or nominee director at any time during the tax year does not satisfy the third condition and does not qualify for Cyprus tax residence under the 60-day rule.

For further information on this topic please contact Constantinos Christofi at Elias Neocleous & Co LLC by telephone (+357 25 110 110) or email (constantinos.christofi@neo.law). The Elias Neocleous & Co LLC website can be accessed at www.neo.law.

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