

# Cyprus Non-Dom: 17 Years of Benefits with Just 60 Days in Cyprus

Last updated on December 2024



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Discover how Cyprus Non-Dom status can slash your taxes and boost business growth. Learn about 17 years of tax benefits and the 60-day residency rule for entrepreneurs.

## Is Tax Optimization Holding You Back?

Are you watching a hefty chunk of your income vanish into the tax abyss? What if you could keep more of your hard-earned money while staying fully compliant? For entrepreneurs and investors looking to build wealth, the Cyprus Non-Domiciled (Non-Dom) status offers a remarkable solution that could reshape your financial landscape.

Picture this: you're sipping coffee on a sun-drenched terrace, reviewing your financials. Instead of wincing at a massive tax bill, you're smiling at the capital you've freed up for business growth. All while enjoying the Mediterranean lifestyle. Sounds appealing, right? Let's explore how this savvy tax strategy could pave the way to financial freedom and business expansion.



## Understanding Cyprus Non-Dom Status: Your Gateway to Tax Efficiency

Cyprus Non-Dom status is a potent tool for international entrepreneurs and investors to optimize their taxes. This program offers substantial benefits for a generous 17-year period, providing long-term stability for your financial planning.

Qualifying for this tax-friendly status is more straightforward than you might expect:

1. Tax residents but non-domiciled individuals can enjoy all dividends and interest income, free from tax in Cyprus.
2. Tax residents enjoy 50% exemption under income tax, on the remuneration from any employment in Cyprus.
3. No tax on any profits earned from the disposal of shares.

This flexible arrangement allows you to maintain business operations elsewhere while reaping the tax benefits. But what exactly do these benefits entail?



## Key Tax Advantages for Non-Doms

Imagine sitting down with your financial advisor, who says:

“Let me break down the tax advantages for you:

- No tax on dividend income for 17 years
- No tax on interest income for 17 years
- No capital gains tax on investments
- No inheritance, wealth, or gift taxes
- Tax exemptions on retirement gratuities and insurance payouts”

You might respond, “That sounds almost too good to be true. How does it compare to other countries?”

Your advisor explains: “Well, according to the [OECD's Revenue Statistics](#), the average tax burden in developed countries is around 34% of GDP. In contrast, Cyprus Non-Doms can reduce their effective tax rate to single digits. It's like going from handing over a third of your income to barely parting with a sliver!”

# General Health System (GHS) Contribution: The Only 'Tax' to Consider

Now, you might be wondering if there's a catch. There is one small contribution to keep in mind: the General Health System (GHS) contribution.

Here's the breakdown:

- GHS contribution rate: 2.65% on dividend and interest income
- Annual cap: €180,000
- Maximum annual GHS payment: €4,770

Let's put this into perspective:

Say you're earning €500,000 annually from dividends and interest. Your GHS contribution would be capped at €4,770 (2.65% of €180,000). The remaining €320,000? Completely exempt from any contributions.

## Maximizing Business Benefits: Corporate Structures and IP Box Regime

For entrepreneurs, Cyprus isn't just a personal tax haven – it's a business-friendly environment.

Here's why:

- 12.5% corporate tax rate on worldwide income (one of the lowest in the EU)
- Holding company structures for efficient profit distribution
- Intellectual Property (IP) Box Regime for tech companies

The IP Box Regime is particularly noteworthy for technology and innovation-driven businesses. It allows for an effective tax rate as low as 2.5% on qualifying IP income.

Consider this example:

A software company generating €1 million in profits from patented technology could reduce its tax bill from €125,000 (at the standard 12.5% rate) to just €25,000 under the IP Box Regime. That's €100,000 more available for reinvestment and growth! Rest assured; this setup is legitimate. Cyprus' IP Box Regime is fully compliant with OECD's BEPS Action 5 and the EU Code of Conduct.



# Maximize Tax Benefits with Just 60 Days in Cyprus

Here's where it gets intriguing for busy entrepreneurs. The Cyprus Non-Dom status comes with a unique 60-day tax residency option. What does this mean for you?

- Flexibility to travel and manage international operations
- Ability to maintain homes in multiple countries
- Compliance with EU regulations while optimizing tax efficiency

Imagine spending just two months a year in Cyprus, enjoying the Mediterranean climate, while significantly reducing your tax burden. The rest of the year? You're free to travel, close deals, and grow your business.

This aligns perfectly with global mobility trends. More and more entrepreneurs and executives are seeking tax-efficient bases without compromising their international lifestyles.



## Real-World Success Stories: Entrepreneurs Thriving with Cyprus Non-Dom Status

Let's look at some of our clients (fictional names have been used to protect anonymity) who've benefited from Cyprus Non-Dom status in 2024:

### 1. Solopreneurs

Mike a 42-year-old freelance consultant earning £300,000 annually, relocated from the UK to Cyprus to reduce his tax burden and enhance his lifestyle. Through our support, he set-up a new trading company and obtained the Cyprus Non-Domicile status, allowing him to pay just 14% tax on his total income. We structured his business to benefit from Cyprus' zero dividend tax and low corporate tax in Cyprus. This resulted in £105,000 in annual savings while ensuring full compliance with both UK and Cyprus tax laws. Our client now enjoys a higher take-home income and an improved quality of life in a business-friendly environment.

## 2. Founders & Investors

Tim relocated to Cyprus with his spouse and two young children, transferring his software technology company and licensing operations to serve international clients. By utilizing the Cyprus IP Box regime, he benefits from a low corporate tax rate of 2.5% on company revenue. Combined with his Non-Domicile status, his total tax leakage is only 3%, significantly boosting his wealth retention. The move also offers his family a high quality of life under the Mediterranean sun. This strategic relocation ensures both financial growth and a secure future for his family.

**Non-Dom can also be obtained by spending in Cyprus only 60 days per year!**

Mark with a trading company in an EU Country, relocated to Cyprus under the Non-Domicile programme, spending only 60 days annually in the country. By setting up a Cyprus holding company, he leveraged EU regulations to transfer profits from his EU company without withholding tax. This allowed him to pay 0% dividend tax in Cyprus, compared to the 19% he would pay in another EU country where he was tax resident. Our structuring ensured full compliance with EU laws while maximizing his tax efficiency. As a result, our client now enjoys substantial savings on all distributed profits while maintaining his business operations seamlessly.

## 3. Entrepreneurs of mature businesses that are looking to exit

Ken a UK entrepreneur with a mature business valued at over £30 million relocated to Cyprus to plan his succession as his children were not interested in inheriting the business. By cashing out his business after relocation, he benefits from zero capital gains tax under Cyprus' tax regime. He plans to reinvest the proceeds into high-yield real estate opportunities in Cyprus, capitalizing on the island's attractive property market. With no inheritance tax in Cyprus, he can pass on his accumulated wealth to his children without financial concerns. This move ensures a tax-efficient retirement and a secure legacy for his family.

## 4. Expats who are thinking of returning home

Boris an entrepreneur and UK passport holder initially considered returning to England but opted for Cyprus due to recent UK tax changes. By relocating under Cyprus' Non-Dom status and benefiting from zero capital gains tax, he can enjoy a tax-free lifestyle through passive investments in fixed income, government bonds, and listed international securities. This move allows him to retire early and live peacefully in the Mediterranean while maintaining financial security. He can also visit his UK relatives and friends periodically without falling back into the UK tax net. Cyprus provides him with the perfect blend of financial freedom and a high-quality, stress-free lifestyle.

These success stories reflect a broader trend of entrepreneur relocation to tax-friendly jurisdictions!

## Your Path to Financial Freedom and Business Growth

Cyprus Non-Dom status isn't just about tax optimization – it's about upgrading your lifestyle. With 17 years of tax advantages, you can secure long-term financial freedom and accelerate your business growth, all while enjoying the Mediterranean way of life.

Don't let excessive taxation hold you back. Take control of your financial future and unlock your full potential as an entrepreneur or investor.

**Interested in exploring how Cyprus Non-Dom status can transform your finances and lifestyle?**

Contact Royal Pine today for personalized tax advice. Our team of experts will guide you through every step of the process, ensuring you make the most of this unique opportunity.

Take the first step towards greater wealth retention and business success – your future self will thank you!



## About

Royal Pine assists bold investors and successful entrepreneurs; **structure**, - **optimize**, - **manage**, - **grow**, - and **protect**, their investments and international business ventures from inception to exit.

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