



TALIADOROS AUDIT FIRM

CHARTERED CERTIFIED ACCOUNTANTS

TAX Newsletter | February 2017

Procedure for claiming the non- domicile status

For additional information with respect to this newsletter, you may contact the following:

Iacovos Taliadoros

Phone: +357 22475555

Email: info@taliadorosaudit.com

Charalambos Milis

Phone: +357 22475555

Email: charalambos.milis@taliadorosaudit.com

Website: www.taliadorosaudit.com

Procedure for claiming the non-domicile status

Following the amendments of the Special Defence Contribution Law 117(1)/2002 as amended by Law 119(1)/2015 which is effective from 16 July 2015, Cyprus tax residents who are not domiciled in Cyprus will no longer be subject to SDC on dividend, interest and rental income, regardless of whether such income emanates in Cyprus or abroad.

Tax Department of Cyprus has established a procedure for Cyprus tax resident individuals that wish to claim for a non-domicile status, through the issue of Tax Circulars and Tax Forms, which is as follows:

- Interested applicants should submit forms T.D.38 and T.D.38QA to the Returns Administration section of the local Tax Department district office where their tax file is maintained.
- These forms should be submitted during the first year in which the applicant acquires income from dividends / interest / rents for which he/she claims exemption from Special Contribution for the Defence fund.
- Applicants who have a domicile of origin in Cyprus and have been Cyprus tax residents during any of the years between 1995-2014 should also submit together with the forms T.D.38 and T.D.38QA the form T.D.38QB. In the case of such applicants, all three forms should be resubmitted every 3 years.

The documentation that may need to be submitted along with these forms is detailed in the forms.

Individuals that have already obtained a tax ruling with regard to their domicile status still need to submit the above forms and the relevant ruling and response should be attached to the forms.