



# TALIADOROS AUDIT FIRM

CHARTERED CERTIFIED ACCOUNTANTS

TAX Newsletter | September 2017

## Tax residency certificates under the 60 days rule

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## Tax Residency Certificates under the 60-Days Rule

According to the Income Tax Law 118 (I)/2002, as of 1 January 2017, an individual will be considered as a Cyprus tax resident if he/she:

- 1) does not spend more than a total of 183 days in any country within a tax year; and
- 2) is not a tax resident of another country within the same tax year;

and provided that he/she satisfies the following three conditions:

- a) remains in Cyprus for at least 60 days during the tax year;
- b) carries on a business in Cyprus or is employed in Cyprus or holds an office in a Cyprus tax resident company as of the 31 December of each tax year; and
- c) maintains a permanent residence in Cyprus, which can be either owned or rented

If the employment/business or holding of an office as per (b) above is terminated, then the individual shall cease to be considered a Cyprus tax resident for that tax year under the 60 days tax residency scheme.

At the same time, an individual who is considered as non – domiciled of Cyprus can benefit at the same time the exemptions from special defense contribution on dividend income, rental income and interest income.

For the purposes of issuing a **tax residency certificate** for a person which satisfies the 60 days rule criteria, the form T.D.126(2017) should be submitted (the relevant form follows).

It is possible for a person to **obtain such tax residency certificate before the elapse of the 60 days staying**, provided that:

1. all the other provisions of the 60 days rule are met;
2. the request for the issuance of the tax residency certificate concerns the receipt of dividends or interest from sources abroad and relevant supporting documentation is submitted to the tax department for the impending receipt of the said income; and
3. the name of the tax authority or organization to which the certificate will be submitted is written on the tax residency certificate

We remain at your disposal should you require any information of clarification on the above.

*(attached: Form T.D.126(2017) Declaration for the purpose of issuance tax residence certificate)*

**Income Tax**  
**DECLARATION FOR THE PURPOSE OF ISSUANCE TAX**  
**RESIDENCE CERTIFICATE FOR THE TAX YEAR \_\_\_\_\_**  
 [according to the 60 day rule residence in the Republic]  
*(Income Tax Law of 2002, as amended)*



ΤΜΗΜΑ  
**ΟΡΟΛΟΓΙΑΣ**  
 TAX DEPARTMENT

**INDIVIDUAL'S DETAILS**

Full Name (Name and Surname): .....		
Identity Number: .....	Expiry Date: .....	Issuing Authority: .....
Passport Number: .....	Expiry Date: .....	Issuing Authority: .....
Cyprus Tax Identity Number: .....	Foreign Tax Number (Number and issuing Country): 1. .... 2. .... 3. ....	
Permanent Residence Address: [Cyprus] ..... [Abroad] .....		

**DECLARATION**

I, hereby, declare that concerning the above tax year –  
*(tick where applicable only)*

I have stayed: /  I intend to stay:

- in Cyprus for a period or periods that aggregate to least 60 days<sup>1</sup>;
- in another state for a period or periods not exceeding in aggregate 183 days.

I am not and will not become tax resident in another state.

I maintain a permanent home in Cyprus, that I  own<sup>2</sup> /  rent<sup>3</sup> from .....  
 .....with T.I.C. .... (name and T.I.C. of owner).

I  exercise a business in Cyprus and /or  am employed in Cyprus<sup>4</sup> and / or  hold an office in a Cyprus tax resident company, and intend to continue to do so at least until the 31st of December of the above tax year, as follows:

*(complete (i) – (iii) accordingly if applicable)*

- (i) I exercise the business of..... (type of business) in Cyprus,  
 with Social Security Number .....  
 with the business name .....  
 at the address .....

- (ii) I am employed in Cyprus and my Social Security Number is ..... ,  
my employer is..... , with T.I.C. ....  
and address .....
- (iii) I hold an office in the company ..... , with T.I.C. .... ,  
and address .....

If, for any reason, I do not fulfill my above intentions or, terminate in the above tax year the exercise of a business in Cyprus or my employment in Cyprus or the holding of an office in a Cyprus tax resident company, I undertake to inform the Tax Department and to return any relevant certificate for cancellation.

I, knowing that any erroneous or false statement is a criminal offense under the provisions of the Assessment and Collection of Taxes Law of 1978, as amended, hereby certify that the information given above is true and correct.

Signature ..... Date .....

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**Documents filed with this statement**

<sup>1</sup> Copies of passports with stamps of entry and exit from Cyprus, boarding passes, electronic tickets etc

<sup>2</sup> Property Title of permanent residence

<sup>3</sup> Lease contract

<sup>4</sup> Employment contract in place as at 31 December of the relevant tax year