

**TAX NEWS-DEFENCE LAW- INTRODUCTION OF THE ARTICLE REGARDING THE NON DOMICILE STATUS FOR TAX PURPOSES.**

On 9 July 2015, the Cyprus Parliament issued new rules / changes over the Cyprus Income tax law.

The main target of the changes was the modernization of the Current tax system of the Country, and to attract new investments from abroad..

The most important / attractive change was the introduction of the term ‘’Domicile / Non-domicile status’’, regarding the defense tax law.

**General rules, details and Provisions.**

* Person who previously were tax residents abroad and they decide to transfer their tax residency to Cyprus, at the same time they as ‘’non domiciled’’ persons for a period of 17 years.
* Based on this above status, these persons automatically are entitled for full exemption from the Defense taxation
* Defence taxation may be arising from the Dividends (17%), bank and other interest received (30%) and finally from Rent receivable (3%)
* In order for a person to become tax resident of any Country, must be able to prove that is living in such Country for a period more that 183 per tax year.

**Other Advantages for a newly Cyprus Tax Resident:**

* Full / 100% exemption of any income related to Interest receivable / Dividends receivable from the calculation of the personal income tax.
* Full / 100% exemption for any income / profit arising from the disposal of shares
* Personal free of charge, taxable income to the amount of Euro 19.500 (related to the personal income tax calculation)
* Additional 50% exemption over the personal income from Salaries, in case which the income is more than Euro 100.000 / this is approved for 10 years
* 20% exemption over the personal income from Salaries, in case which the total amount is not higher of the amount of Euro 100.000 / this is approved for 10 years