

# WORKING AND LIVING IN CYPRUS

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# Welcome

We at Oneworld recognize that Cyprus offers an enviable combination of climate, business and culture. We also understand that relocating to a new country is often a challenge.

Cyprus is the third largest island in the Mediterranean Sea and is one of the most popular tourist destinations in the Mediterranean. It has an advanced economy and a high human development index (HDI) with regards to living and quality of life.

The Island hosts a significant expatriate community, having the third highest percentage of foreign citizen residents in the EU with 12.5 percent of the population originating from EU member states and 7.4 percent from non EU countries. British nationals comprise the largest expat community whilst Russians and other east European nationals also constitute big expatriate groups.

Cyprus is known as a safe and pleasant place to live, with a crime rate of only 6.44 crimes per annum per 1,000 inhabitants, being lower than most other western European countries.

Hospitality is a deeply engrained value amongst Cypriots and visitors feel welcome and at home.

Cyprus also offers generous tax incentives to expatriates relocating to Cyprus.

This booklet is designed to ease the transition of individuals relocating to Cyprus, providing an overview of key aspects of living and working in Cyprus including personal taxation, social security, migration, labour law, employment-sponsored pension plans and other valuable information. It offers a quick guide for employers who consider relocating an employee to Cyprus and for individuals who contemplate taking up residence in Cyprus.

We urge you to consult our specialists to obtain detailed and up to date advice specific to your own circumstances.

**Oneworld Ltd, Global Business Services**

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# Facts at a Glance

## Time zone

The time zone of Cyprus is GMT +2.

## Currency

The currency of Cyprus is the euro (€). Cyprus is a member of the EU since 1 May 2004.

## Population and area

Located in eastern Mediterranean, the total area of Cyprus is 9,250 sq km with a coastline of 648 km. The population is 860,000.

## Main cities

The main cities of Cyprus are Nicosia (capital), Limassol, Larnaca and Paphos.

## Languages

Greek and Turkish are the official languages. English is prevalent and is the principal business language. French, German and Russian are also commonly spoken in tourist areas.

## Principal economic activities

Tourism, services, shipping, real estate and energy.

## Weather

The island has a sub-tropical climate, with an average annual temperature of 24°C during the day and 14°C at night. Average daily sunshine ranges from 9.8 hours in December to 14.5 hours in June. The summer season extends to approximately 8 months (April - November), with the months of July and August marking considerably high temperatures (over 35°C). The winter season (December - March) is mild, while snow falls often in the Troodos mountains during that period.

## Political system

The political system is presidential democratic republic. The head of state is the president who is elected directly by the people for a

term of 5 years and appoints the governing Council of Ministers. The parliament of Cyprus is the House of Representatives which comprises 56 members elected directly by the people for a term of 5 years.

## Tax year

The tax year in Cyprus is the calendar year, 1 January to 31 December.

## Tax treaties

To date, Cyprus has signed nearly 60 double tax treaties with other countries.

## Public holidays

Public holidays in Cyprus are additional entitlements over and above the 21 day statutory minimum annual leave. The following days are observed as national holidays:

**1 January** (New Year's Day)

**6 January** (Epiphany)

**Green Monday** (moveable date)

**25 March** (National Day)

**1 April** (Cyprus National Day)

**Good Friday** (moveable date)

**Easter Monday** (moveable date)

**1 May** (Labour Day)

**Whit Monday** (moveable date)

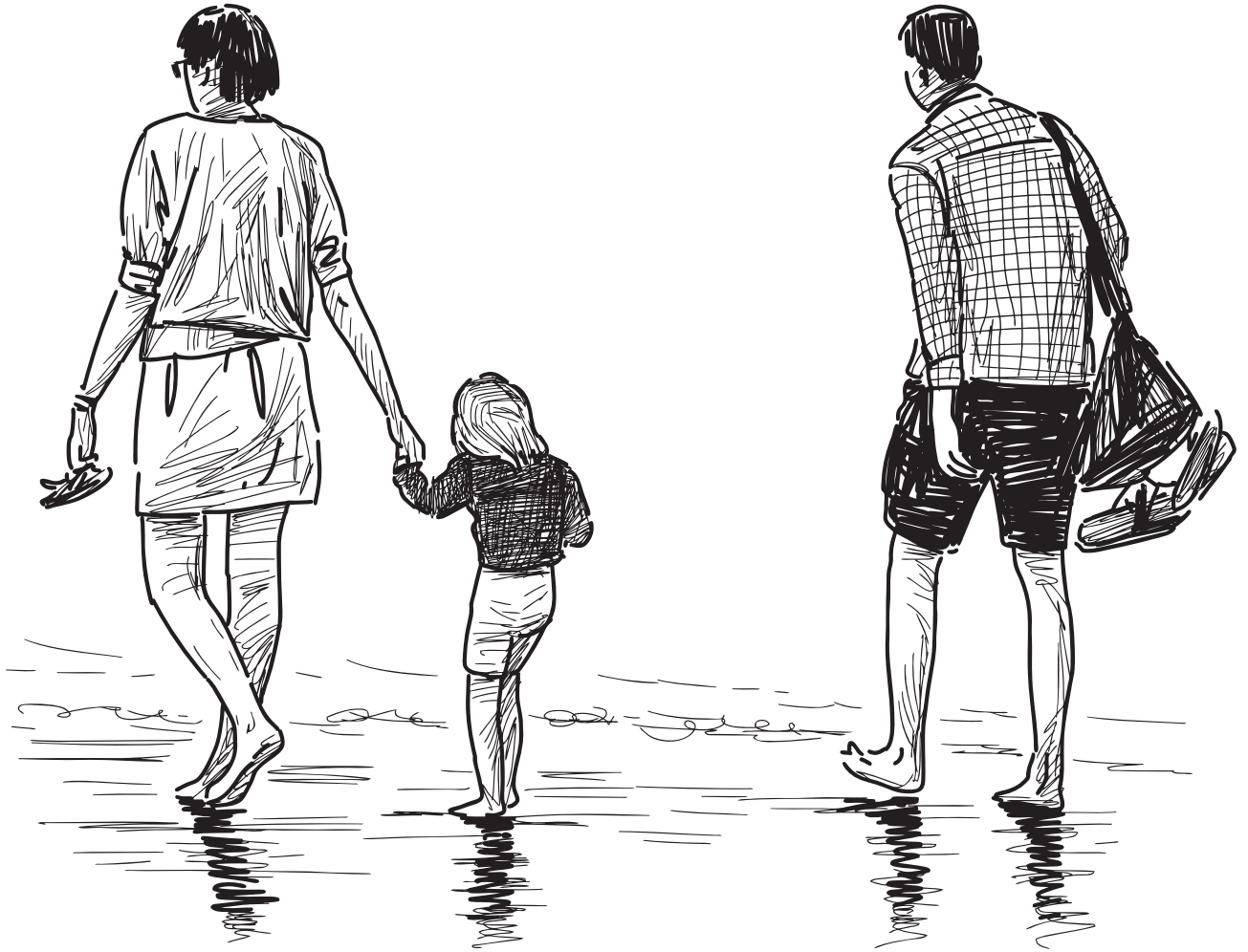
**15 August** (Assumption Day)

**1 October** (Independence Day)

**28 October** (WWII National Day)

**25 December** (Christmas)

**26 December** (Boxing Day)



# Migration

Cyprus offers many key benefits to foreign investors and their dependent family members who are looking for a jurisdiction that offers financial stability, a gateway to Europe and quality standards of living for their families.

## EU citizens

EU citizens have the right to work in Cyprus but are required to register with the migration authorities within 4 months of moving to Cyprus. Upon registration, they will receive a registration certificate for EU citizens.

## Temporary Residence and Employment permits (non-EU citizens)

When moving to Cyprus for employment, third country nationals should apply in advance to the migration authorities in Cyprus for a work and residence permit. Upon registration with the authorities, an entry permit will be issued. Following arrival in Cyprus, the individual is required to obtain a temporary work and residence permit. This permit has a usual validity period of 1 year. It is possible to renew a temporary work and residence permit by submitting the required documents 2 months before the permit's expiration date. For executive staff, there are no restrictions regarding the duration of residence in Cyprus.

## Eligibility

A company based in Cyprus wishing to employ a third country national for the first time, should apply to become an eligible employer of third country nationals (one-off procedure). In practice, this procedure can be undertaken in parallel to submitting the first application for work and residence permit for individuals. All companies with non-resident shareholders are entitled to employ third country nationals or professional staff, conditional on fulfilling certain requirements.

## Visiting Cyprus

Third country nationals can enter Cyprus for a short period of time with visitor's visa (ie single entry or a multiple entry visa). A visitor's visa is usually obtained for tourism purposes or for short business trips. A multiple entry visa gives the right of entry for several visits to Cyprus. The total working and living in Cyprus duration of all visits under a single entry or multiple entry visa does not exceed 3 months in any half year, starting from the date of first entry. To obtain a multiple entry visa, an individual must first visit Cyprus on a single entry visa and then apply to the Cyprus Embassy located in his/her country of residence.

## Permanent Residence permits

The Permanent Residence Permit - Regulation 6 (2), refers to individuals who have fully and freely at their disposal a secured annual income, high enough to allow a comfortable living in Cyprus for them and dependents, without having to supplement by engaging in a business, trade or profession.

The criteria to be met and the documentation required to be eligible to obtain a permanent residence permit, include:

- proof of steady income flows from abroad of at least €30,000, from sources other than employment in Cyprus ie certificates of dividends, certificates of fixed deposits, pension statements, rents or salary advice slips
- confirmation letter from a Cyprus bank, showing deposits in a local account, with minimum Deposit €30,000, from sources other than employment in Cyprus. The deposits should be kept for at least 3 years

- the necessary minimum income, is increased by €5,000 for the spouse and for each child (up to the age of 28 years) and by €8,000 for each parent
- title deed or purchase agreement of a residential property, issued on the name of the applicant. The minimum market value of the property should be €300,000 plus VAT and proof of payment for at least €200,000 excluding VAT, is required. The VAT rate of 5 percent is applied for first residences with a property not exceeding 275 sq meters in accordance with the architectural plans (after the exception of max 88 sq meters for common areas). The initial 200 sq meters are subject to 5 percent VAT and over 200 sq meters is subject to the standard rate of VAT, 19 percent

#### ***Additional conditions and requirements***

Additional documentation that needs to be submitted to obtain Permanent Residence Permit, include independent declaration regarding the income of the applicant, confirmation that the applicant does not intend to work or to be engaged in any form of business in Cyprus, clean criminal record from country of origin, birth certificate, medical insurance certificate, CV etc.

#### ***Other information***

- applicants are expected to visit Cyprus once every 2 years
- it takes approximately 2 months for the Permanent Residence Permit to be issued, from the date of submission of the required documentation
- to apply for Citizenship and become a Cypriot citizen, a third country national should have held Permanent Resident status and resided in Cyprus for at least 7 years

### **Cyprus Citizenship by Investment**

The Cyprus government, on the basis of a revised Decision by the Council of Ministers dated 13 September 2016, allows non Cypriot investors to acquire the Cypriot Citizenship by Naturalization.

Citizenship of Cyprus allows a citizen the right to work, reside and buy property in all 28 EU member countries, in addition to visa-free travel within the EU. Citizenship applications are treated with urgency and are usually processed in around 3 months from the date of submission, which is notably efficient when compared to other countries.

#### ***Key advantages***

- an express procedure, it takes only 3 months to be approved
- the investment is as low as €2mn
- the investor must retain the investment for 3 years after which she/he is free to release it
- citizenship granted to spouse of the investor and minor children as well as to the financially dependent adult children up to the age of 28 who are full time students
- the applicant's parents are now entitled to apply for Cyprus citizenship, provided that they own a permanent residence worth at least €500,000. Alternatively, the investor and parents acquire one residential property with a total value of minimum €1mn
- visa-free travel to over 157 countries worldwide
- no language proficiency tests
- dual citizenship is allowed and the acquisition of citizenship in Cyprus is not reported to other countries





- low government fees for the filing of the application
- wide choice of investment options

### **Requirements**

The applicant must have direct investments in Cyprus amounting to a minimum of €2mn, held for at least 3 years, in any of the following:

- investment in real estate, land development and infrastructure projects
- purchase, creation or participation in Cyprus businesses and companies in Cyprus. Such companies are required to have a physical presence in Cyprus and to employ at least 5 Cypriot citizens
- investment in Alternative Investment Funds (“AIFs”) established in Cyprus and licensed by CySEC, which invest exclusively in Cyprus
- combination of the aforementioned criteria amounting to €2mn. In the context of this criterion, the applicant may also purchase Cyprus government bonds, maximum €500,000

In addition to the above criteria, the applicant must fulfil the following conditions:

- hold a Clear Criminal Record from the country of origin or/and the Cyprus Police
- confirm that the applicant’s name is not included in the list of persons whose property is ordered to be frozen within the EU
- privately owned residence in Cyprus, the costs of which must exceed the amount of €500,000 excluding VAT. If the direct investment is made in residential property, this requirement is not applicable

- in case the investor’s parents are included in the application, either purchase an additional property of at least €500,000, or the investor and parents acquire 1 residential property, minimum €1mn

- simultaneous application for both residency and citizenship must be filed
- have at least 1 visit to Cyprus

### **Other Information**

- applicant does not become a tax resident in Cyprus, unless he/she spends more than 183 days in any 1 calendar year
- the approval of citizenship under the relevant Decision is granted by the Cyprus Council of Ministers
- the application package is submitted to the Ministry of Interior. The Ministry of Finance assesses the financial criteria
- the application of the spouse is submitted concurrently with the application of the main applicant. Upon the approval of these applications, children applications follow
- after examination by the 2 Ministries, the application is presented to the Council of Ministers
- the application processing usually takes 4 months
- keeping investments for a minimum of 3 years
- low government fees for the filing of the application
- dual citizenship is permitted and the acquisition of citizenship in Cyprus is not reported to other countries





# Personal Taxation

The main types of taxes applicable to an individual in Cyprus include:

- direct taxes (income tax and special defence contribution)
- indirect taxes (VAT and duties on goods and services)
- capital gains tax (applicable on the sale of immovable property situated in Cyprus).

An individual working in Cyprus is also subject to social insurance (and other) contributions.

For an expatriate individual arriving in Cyprus, it is important to establish the following:

- tax residency status
- domicile status
- sources of income
- eligibility for certain tax exemptions

## Tax residency

An individual is tax resident in Cyprus if he/she is present in Cyprus for a period exceeding 183 days in a tax year.

For the purpose of calculating the days of residence in Cyprus:

- day of arrival into Cyprus is considered to be a day in Cyprus
- day of departure from Cyprus is considered to be a day out of Cyprus
- arrival in Cyprus and departure from Cyprus on the same day is considered to be a day in Cyprus
- departure from Cyprus and return to Cyprus on the same day is considered to be a day out of Cyprus

A Cyprus tax resident individual is subject to income tax on income accruing or arising from sources both within and outside Cyprus, ie on their worldwide income. A non-Cypriot tax resident individual is subject to income tax only on income accruing or arising from sources in Cyprus.

## Personal income tax rates

The personal income tax rates applicable to an individual's taxable income are as follows:

Taxable Income	Tax rate	Cumulative tax
€	%	€
0 – 19,500	0	0
19,500 – 28,000	20	1,700
28,000 – 36,300	25	3,775
36,300 – 60,000	30	10,885
60,001 and over	35	

## Exemptions and deductions

The following are exempt from income tax:

- 50 percent of the remuneration from employment in Cyprus by an individual who was resident outside Cyprus before the commencement of his/her employment in Cyprus. The exemption applies for a period of 10 years starting from the first year of employment provided that the annual income of the employee exceeds €100,000

This exemption does not apply in case the employee was a Cypriot tax resident in the preceding tax year or for at least 3 out of the last 5 tax years immediately prior to the tax year of commencement of employment

- 20 percent of the remuneration or €8,550 (whichever is the lower) from any employment exercised in Cyprus by an individual who was resident outside Cyprus before the commencement of his/her employment. This exemption applies for a period of 5 years from 1 January following the year of commencement of the employment and may be claimed up to tax year 2020
- Interest income
- Dividend income
- Gains arising from the disposal of securities such as shares and bonds
- Remuneration from salaried services to a non-resident employer based outside of Cyprus or to an overseas branch of a resident employer for a total period in the year exceeding 90 days
- Any lump sum received as a retiring gratuity, commutation of pension, death gratuity or as compensation for death or injury

- Any lump sum repayment from life insurance schemes or from approved provident funds

Amongst items of expenditure, the following are deductible for income tax purposes:

- contributions to approved provident funds
- subscriptions to trade unions or professional bodies
- donations to approved charitable organizations
- expenses for the letting of buildings up to the 20 percent of the rental income

## Share options

Share options granted by employers to their employees are subject to tax as part of the employee's employment income. Complex rules apply to the taxation of such options.

## Benefits in kind

A number of benefits in kind are subject to taxation in Cyprus:

- Accommodation
- Use of a car
- Relocation allowances (subject to a tax-free de minimis)
- Allowances provided for child education

## Special defence contribution (SDC)

A Cypriot tax resident individual who is domiciled in Cyprus is subject to special defence contribution on the following sources of income at the rates indicated below:

Income	SDC rate
	%
Dividends	17
Interest	30
Interest from Cyprus government bonds	3
Rental income	2.25

Non-Cypriot tax residents and Cypriot tax residents who are not domiciled in Cyprus are exempt from SDC. Therefore, a non-Cypriot domiciled individual who relocates to Cyprus, would be exempt from SDC, even if he/she spends more than 183 days in Cyprus in a tax year.

### **Domicile**

An individual is domiciled in Cyprus if he/she has a Cypriot domicile of origin, subject to a few exceptions.

An individual's domicile of origin is the country that his/her father (or in certain cases his/her mother) treats as his (her) permanent home (domicile), at the time of the individual's birth.

Irrespective if one has a domicile of origin outside of Cyprus, he/she will be deemed to be domiciled in Cyprus if he/she has been a Cypriot tax resident for at least 17 out of the last 20 years prior to the relevant tax year.

### **Capital gains tax (CGT)**

CGT is only imposed on gains from the direct or indirect disposal of immovable property situated in Cyprus at the rate of 20 percent after allowing for indexation.

A specific CGT exemption applies to gains from the disposal of immovable property acquired between 16 July 2015 and 31 December 2016. Immovable property includes shares of companies not listed on a recognized stock exchange which own immovable property in Cyprus.

### **Estate duty, wealth and inheritance taxes**

There is no estate duty, wealth tax or inheritance tax in Cyprus.

### **Foreign pension income**

An individual who is Cypriot tax resident can choose 1 of 2 methods for the taxation of pension payments received from a pension

fund in relation to employment of the individual whilst that person was outside Cyprus:

- the first €3,420 is tax free with the remainder of the payments subject to tax at the flat rate of 5 percent, or
- the income is added to other taxable income and taxed at the normal income above tax rates

The tax liability calculated under either option is reduced by any available foreign tax credit relating to any tax deducted at source from the pension payments.

### **VAT**

VAT is levied at the rate of 19 percent. Reduced VAT rates of 5 percent and 9 percent apply to certain goods and services.

### **Registration of employees**

An individual must register with the Tax Department and submit personal income tax returns if they earn taxable income in Cyprus exceeding the tax free amount of €19,500 per annum. An Alien Registration Certificate, a *yellow slip* and a copy of the individual's passport is required to register.

An individual working in Cyprus should register with the Social Insurance Department and make social insurance contributions (see the next section for more details). An Alien Registration Certificate, a *yellow slip* and a copy of the individual's passport is required to register.

An exemption from registration may be granted if the individual is an EU national and wishes to continue paying social security contributions in their home country.

Tax clearance certificate may be obtained by individuals upon their exit from Cyprus and also for renewal of work permits (if applicable).

### **Tax returns and due dates**

An individual working in Cyprus, earning above the tax free amount of €19,500 must submit an annual income tax return (IR1) every year. The due date is 30 April following the tax year.

Extension to 31 July is granted if the return is submitted electronically and not manually.

Foreign interest and dividends received where SDC has not been deducted at source but is applicable, is due 30 June for the first half of the year and 31 December for the second half.



## *Social Insurance Contributions*

Social insurance contributions are made by individuals employed or self-employed in Cyprus. An employer also makes contributions in respect of its employees.

The contributions are calculated by applying the relevant contribution rates to the weekly wages or monthly salaries, subject to certain income limits.

<b>Fund</b>	<b>Employer</b>	<b>Employee</b>	<b>Self-employed</b>
	%	%	%
Social Insurance Fund	7.8	7.8	14.6
Redundancy Fund	1.2		
Industrial Training	0.5		
Social Cohesion Fund	2.0		

### **Income limits**

Employee and employer contributions (other than contributions to the social cohesion fund) are subject to upper income limits that are set on an annual basis.

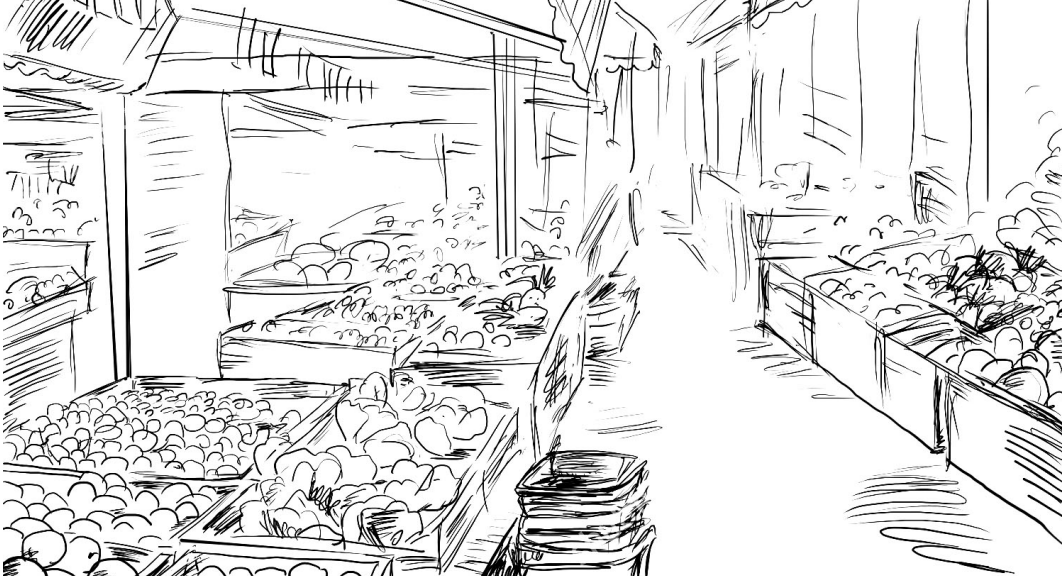
Contributions by self-employed individuals are subject to both a lower and an upper income limit that are also set on an annual basis. The limits differ depending on the occupational category of the self-employed individual.

### **Due dates**

The employees' social insurance contributions should be withheld by the employer on a monthly basis. These contributions along with the employer's contributions should be paid to the Social Insurance Department not later than the end of the calendar month following the month that the salaries relate to.

The social insurance and other contributions of self-employed individuals should be paid to the Social Insurance Department quarterly after the end of each quarter, as follows:

<b>Quarter</b>	<b>Due date</b>
January to March	10 May
April to June	10 August
July to September	10 November
October to December	10 February



## *Employer Sponsored Pension Plans*

A provident fund is a form of employer sponsored scheme for private sector employees, similar to a pension fund.

The intention of provident fund law is to encourage employees to stay longer in the same employment and to induce employees to save for the long term.

### **Contributions**

A provident fund is made up of monthly contributions by both the employees and the employer as a percentage on the employees' gross salary.

Contributions are generally tax deductible. A provident fund's charter sets the minimum and maximum contributions that are to be made.

The employees' part of the fund is known as "Account A" and the employer's part is known as "Account B".

Within a provident fund's charter, it is specified that provided the employee remains with the employer for a fixed number of years, on their departure they

will be able to take as a tax free lump sum the total of their cumulative contributions (Account A) and the associated employer's contributions (Account B) including the share of income earned by the fund during the period of employment from those contributions.

The number of years that the employee should stay in the same employment to obtain their Account B entitlement (ie the vesting period of the employer's contributions) will depend on the provident fund charter but it is usually between 3 and 7 years.

### **Leaving a provident fund**

If a departing employee's Account B has not vested, they receive only their Account A contributions, together with the share of income earned by those contributions.

Otherwise, the departing employee receives both their Account A and Account B, together with the share of income earned by those contributions.

The funds received are not subject to tax.

# Employment Law

All companies operating in Cyprus are obliged to adhere to the employment legislation of Cyprus.

## Legislative basis

The employment of non-Cypriot nationals is governed by Alien and Migration Law. All procedures are managed by the Department of Labour and/or by the Civil Registry and Migration Department. The employment of EU nationals, is regulated by the Law on Free Movement and Residence of Nationals of the Member States of the EU and their Families.

All EU nationals and non-EU nationals working in Cyprus are required to be registered with the Civil Registry and Migration Department.

## Pay period

There is no standard pay period and each organization is able to adjust its pay period according to its working conditions. It is customary for the pay period to be weekly or monthly with most employers paying salaries on the last day of each month.

## Probation period

Employment law provides a minimum probation period of at least 26 weeks, where there is no minimum notice period in the event of employment termination. The probation period may be extended to a period up to 104 weeks, where the pre-determined by the law notice period should be paid in the event of employment termination.

## Working hours

The maximum weekly hours of work are 48 hours, including overtime. The normal pattern of working hours in Cyprus is 40 hours per week. In addition, the employee is entitled to at least 11 continuous hours of rest per day. When the daily period of work is greater than 6 continuous hours, the employee is entitled to a break of duration of 15 minutes.

## Annual leave

Depending on the type of work schedule, employees are entitled to 20 days (for 5-day week), or 24 days (for 6-day week) of annual holiday leave. This only applies to employees that have worked for at least 48 weeks within a year. In cases of work for a shorter period of time, then the duration of annual leave is calculated proportionately. However, for work of less than 13 weeks within a year, the employee is not entitled to annual leave.

## Sick leave

Sick leave is paid by the Department of Social Insurance at the Ministry of Labour and Social Insurance. A sickness benefit is payable to employed persons working abroad in the service of Cypriot employers and self-employed persons working abroad whose permanent residence is in Cyprus. In the case of an employed person the payment of the benefit starts on day 4 of absence from work due to illness and in the case of a self-employed person the payment starts day 10 of absence from work.

The level of the benefit is determined according to the average weekly amount of earnings on which contributions were made by or for the insured person in the previous contribution year under the social insurance scheme.

It is also customary for organizations to allow a minimum of 10 days, as paid incidental sickness absences per annum.

## Employer sponsored pension funds

Many employers sponsor a provident fund scheme for their employees, similar to a pension plan. It is not compulsory to operate such funds, but once formed a fund is regulated by legislation and the office of the Commissioner of Provident Funds. The basic principle of a provident fund is that both employer and employee contribute a pre-determined percentage of the employee's monthly gross salary to the fund.



## *Private Limited Companies*

Private limited companies incorporated in Cyprus are a common vehicle for undertaking business in Cyprus.

### **Corporation tax rate**

Cyprus companies are taxed at a corporate income tax rate of 12.5 percent, amongst the lowest corporate tax rates in the EU.

### **No withholding taxes**

No withholding taxes are imposed on dividends paid to non-tax resident individual shareholders, tax resident but non-domiciled individual shareholders or Cyprus tax resident corporate shareholders. Dividends paid to individual shareholders who are Cyprus tax resident and Cypriot domiciled are subject to a withholding tax of 17 percent.

### **Exemption from tax on dividend income**

Dividend income received by a company is exempt from tax, irrespective of its source, provided that the company paying the dividend, either:

- engages directly or indirectly in more than 50 percent of activities that give rise to non-investment income, or
- the effective tax burden on the dividend paying company's income is not lower than 6.25 percent

### **Notional interest deduction upon the introduction of new equity**

Cyprus companies are entitled to a notional interest deduction (NID) upon the introduction of new equity.

The NID is available on new qualifying equity issued by a Cyprus company on or after 1 January 2015 and used in the business. The NID is calculated by multiplying the new qualifying equity amount by a reference interest rate. The reference interest rate is equal to the yield of the 10 year government bond of the country in which the funds are invested, plus 3 percent (or the yield of the 10 year Cyprus government bond plus 3 percent, if higher). The NID is a tax-allowable deduction limited to 80 percent of the taxable profit derived from assets financed by the new equity. Depending on the level of capitalization of a company, the NID could reduce the effective tax rate of company to as low as 2.5 percent.

### **Capital gains and income tax exemption for securities**

Cyprus does not impose income or capital gains tax on the profits and gains derived from the disposal of securities, irrespective of whether the profits and gains are considered to be of a revenue or capital nature.

Securities as defined by the law, include shares, bonds, debentures, founders' shares and other securities of companies or other legal persons and options over such securities.

### **Liquidation of a Cyprus company**

No capital gains tax, income tax or any other taxes arise on the liquidation of a Cypriot company owned by non-resident shareholders, irrespective of the method of liquidation.



# Living in Cyprus

## Relocating

### *Personal belongings*

Cyprus is serviced by an extensive list of local and international moving and shipping companies.

To assist with relocation planning, one should keep in mind that it might take up to 1 month for goods and personal belongings to arrive in Cyprus. Individuals are also advised to insure their belongings.

For EU nationals, exemption from excise duties is granted for personal property imported permanently from another EU member state. For non-EU nationals, relief from import and excise duties as well as VAT is granted for personal property provided certain conditions are met.

### *Personal cars*

The conditions to be fulfilled for the importation to Cyprus of a vehicle depend on whether the vehicle is to be imported from an EU or non-EU country and also whether the intention is for the vehicle to be imported temporarily or long-term.

### *Vehicles from EU countries*

Vehicles from EU member states are considered goods in free circulation in the EU and can move from one EU member state to another without payment of customs import duty. To be exempt from import duty, proof of EU status of the goods must be provided, such as forms T2L or T2LF (for new and used vehicle) or number plates and the vehicle registration document issued by the previous EU member state for used vehicles.

### *Vehicles from countries outside the EU*

A person resident in a non-EU country transferring his/her residence to Cyprus is entitled to transfer their vehicle as part of their personal belongings without liability to import and excise duties and VAT, under certain conditions. In order to avoid a period of unavailability of their vehicle on

importation, a temporary license to use the vehicle may be applied for under Form C104O.

It is possible to import a vehicle from a non-EU country in order to use it temporarily in Cyprus and then re-export it without paying customs duty, excise duty or VAT in Cyprus.

### *Importation of pets*

Cyprus is a member of the European Pet Travel Scheme. Regardless the country of origin of the animal, the following conditions apply:

- The animal has a minimum age of 111 days
- The animal must be individually identified, via either
  - a clearly readable tattoo (applied before 3 July 2011), or
  - an electronic identification system (transponder-microchip)
- The following breeds are prohibited:
  - American pit bull terrier or pit bull terrier
  - Japanese tosa or tosa Inu
  - dogo Argentino or Argentinian mastiff
  - fila Brasileiro or brazilian mastiff

There are further specific requirements depending on whether the animal is to be imported from an EU member state or a non-EU country. Further information may be obtained from the Veterinary Services, Animal Health and Welfare Division of the Ministry of Agriculture, Natural Resources and Environment.

### *Accommodation*

There are many estate agencies which can provide options and support during house hunting. A list of registered estate agents is available from the Cyprus Real Estate Agents Association, CREAA.

## **Buying property**

Buying a property is a popular option, especially for people looking to settle in the island. All EU nationals have the right of home ownership. In the case of non-EU nationals, special conditions apply such as being allowed to buy only one property, with the land not exceeding 4,014 square metres. Additionally, such individuals must not own any shares in a company that owns immovable property and must not have a criminal record.

If a loan is required for buying a residence, one can contact any commercial bank to discuss loan terms. The deposit usually lies in the range of 20-30 percent of the purchase price. Stamp duty and transfer fees are also payable by the purchaser of property, the amount of which is calculated on the purchase price. The seller usually bears the commission of the real estate agent.

## **Renting property**

Cyprus has a surplus of property available for short and medium term rent. Rental property is usually provided unfurnished, but includes air-conditioning, heating and some kitchen appliances.

It is common practice for a rental contract to be for a period of 1 or 2 years, allowing the possibility of renewal. Usually, the equivalent of 1 month's rent is required as a deposit together with payment of 1 month's rent in advance on signing of the contract. The deposit is refunded when the contract expires, unless there is property damage. The tenant usually bears the cost of utilities, such as water, heating and electricity.

## **Banking**

The banking system in Cyprus is regulated by the Central Bank of Cyprus. The Central Bank keeps a register of all regulated banks operating in Cyprus including branch and representative offices of foreign banks.

The opening of a bank account involves the presentation of required identification documents such as an individual's passport or identity card, recently issued proof of address (such as a utility bill or property title deeds) and confirmation of employment or copy of a valid work or residence permit.

It is also possible to open an account before arrival in Cyprus through an overseas branch of a Cypriot bank or one of the many foreign banks operating in Cyprus. In this case, the applicant's signature and personal identification will be verified for the account to be opened.

The working hours of banks are usually 8.30am to 1.30pm, Monday to Friday. Banks normally provide 24 hour access through ATMs for withdrawals, deposits or balance checking. Additionally, most of the banks have online services where it is feasible to transfer funds between own accounts, review and print statements while being informed for any new banking services or products available.

## **Living**

### *Office and retail hours*

Most private offices are open between 8.00am and 5.00pm, Monday to Friday. Government offices are open until mid-afternoon, Monday to Friday. Shops and supermarkets are usually open 9.00am to 7.00pm, Monday to Sunday.

### *Transport*

Driving is on the left hand side of the road.

The rules of driving are regulated by European standards which set that the minimum driving age (student licence) is 17 years with the legal driving age being 18 years. Seat belts are compulsory for all passengers as well as child seats for children under the age of 5. There is a speed limit of 100km/hr on motorways, 50km/hr in residential areas and 80km/hr in rural areas, unless otherwise stated. Third party liability insurance for vehicles is compulsory.



Some foreign-issued driving licenses are considered valid in Cyprus while some may be exchanged for an equivalent Cypriot license. Only individuals who have been resident in Cyprus for at least 6 months may apply for a Cyprus driving license. The registration process involves oral, theory and practical tests.

The minimum legal drinking age is 17 years. The maximum legal alcohol level while driving is 22 micrograms of alcohol per 100 millilitres of breath and 9 per 100 of breath for student drivers who have less than 3 years of driving experience, for drivers of public vehicles ie taxis, buses, trucks etc.

### **Education**

The official language in public schools is Greek while in most private schools the official language is English. Some private schools teach in other European languages. Public schools are free. Fee-paying private schools usually have proficiency entrance examinations for applicant students.

The education system in Cyprus consists of the following stages:

- pre-primary education, for children between 4 years 8 months and 5 years 8 months

- primary education, compulsory for all children over the age of 5 years, 8 months and with a duration of 6 years
- secondary education, which offers 2, 3 year cycles of education being the lower and upper secondary education, to pupils between the ages of 12 and 18

In the case of private schools, there is usually no distinction between lower and upper secondary education and the total education period is 7 years

- Higher education, with public and private universities operating in Cyprus.

### **Health**

Depending on an individual's status, public health care is either free or subsidized for those eligible for a medical card or paid at fixed government rates for those not eligible for a medical card. Public health care is accessible in all cities of the island, as well as smaller hospitals or clinics located in villages.

It is customary for organizations to provide health insurance to employees. Employees often also have the option to extend coverage to their dependents under their employer-provided scheme at their own cost.



# Our Services

We acknowledge the importance of having the right people for the right position for your Cyprus operations. The timing, as well as the smooth relocation of your key people is an essential prerequisite for which our experts can provide you with suitable solutions.

Our in-depth knowledge of the labour and migration law, together with tax law and procedures and our experience in working with international clients can support you in what can otherwise be time consuming and highly demanding processes. We can ensure that all the Cypriot migration, tax and social insurance obligations of your relocated people are met.

## **What we offer**

### ***Our Advisory Services team***

- EU registration certificates
- becoming an eligible company to employ third country nationals
- the issue of Temporary Residence and Employment
- permits to third country nationals and renewal of Temporary Residence and Employment Permits to third country nationals
- permanent Residence Permits

### ***Our Citizenship team***

- customized consultation on an individual's needs

### ***Our Tax Services team***

- undertaking the registration and acting as agent for the individuals and the employer with the Cypriot tax and social insurance authorities
- ensuring that employee and employer tax and social security obligations are met
- coordinating the individuals' and employers' final tax obligations on leaving Cyprus
- holding entry and exit meetings to discuss the relocation of an individual in and out of Cyprus and any obligations arising under Cyprus law

### ***Our Real Estate Advisory team***

- identification and selection of appropriate real estate solutions in cooperation with reputable organizations, operating in the local real estate market
- undertake real estate due diligence to evaluate prospective investments, including real estate valuation services, legal inquiries and review of the associated purchase/rental contracts
- handle the transaction procedures and client representation during the conveyancing process at the relevant local authorities

## *Contact us*

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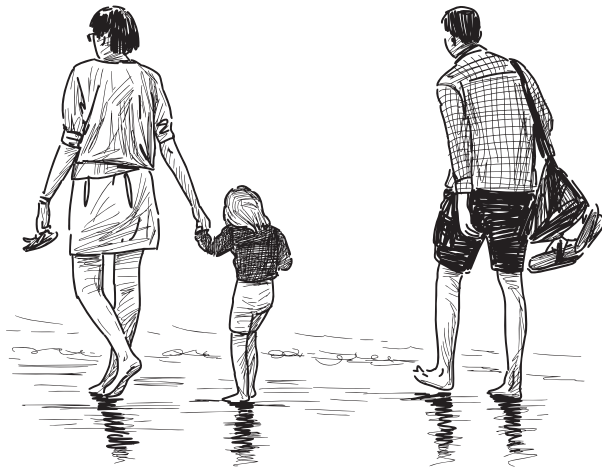
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