



CYPRUS 2026

Non-Dom Tax Guide

How Much You Really Save

cyprustaxlife.com

Everything you need to know about the Cyprus Non-Dom regime and
how much you can save based on your profile



Don't Panic

We're Here to Help

We know this can feel overwhelming. But you don't have to do it alone. We connect you with the right tax advisory in the best location for your situation, so you have zero headaches and can focus on what matters: making money.

- ✓ We recommend the ideal tax advisor for your profile
- ✓ We explain which tax structure suits you best
- ✓ We guide you through the entire relocation process
- ✓ Zero surprises, zero complications

Get in Touch. We Can Help

✉ contact@cyprustaxlife.com

No commitment. We reply within 24 hours.

THE BASICS

What is the Non-Dom Regime?

Cyprus's Non-Dom (Non-Domiciled) regime is one of Europe's most attractive tax frameworks. If you haven't been a Cyprus tax resident for at least 17 of the last 20 years, you automatically qualify.

- ✓ **0% on dividends**
Dividends you receive are 100% exempt from SDC (Special Defence Contribution). In Spain you'd pay 19-28%.
- ✓ **0% on interest**
Interest from your savings and investments is SDC-exempt. No withholding.
- ✓ **0% on rental income outside Cyprus**
If you own properties abroad, rental income is SDC-free in Cyprus.
- ✓ **15% corporate tax**
One of the lowest in the EU. With an optimized structure (low salary + deductions + personal invoices), the effective rate drops to ~5%.
- ✓ **Duration: 17 years**
Non-Dom status lasts 17 years. Plenty of time for long-term planning.
- ✓ **50% salary exemption**
If your salary exceeds €55,000/year, you can deduct 50% for 17 years (Cyprus employment).

COMPARISON

Cyprus vs. Your Country

Here's how Cyprus stacks up against the countries most expats come from. Tax on €100,000 profit through a company + distribution as dividends.

COUNTRY	CORPORATE	DIVIDENDS	TOTAL ON 100K	EFFECTIVE RATE
Spain	25%	19-28%	~€43,000	~43%
Germany	~30%	26.4%	~€48,000	~48%
United Kingdom	25%	33.75%	~€50,000	~50%
France	25%	30%	~€47,000	~47%
Israel	23%	30%	~€46,000	~46%
Cyprus (Non-Dom)	15%	0%	~€5,000	~5%

💡 With an optimized Non-Dom structure in Cyprus (low salary + deductible expenses + personal invoices of €15,600/person), the real effective rate drops to ~5%. Average savings are 35-45% compared to countries like Spain or Germany.

YOUR SAVINGS

Real Examples

Three real expat profiles and how much they save per year with a Cyprus Ltd + Non-Dom vs. staying in their home country.

Freelancer / Consultor	100.000€/año
Gross revenue	100.000€
Business expenses (~20%)	-20.000€
Personal invoices (1 person)	-15.600€
Low director salary	-12.000€
Taxable base	52.400€
Corporate tax (15%)	7.860€
Non-Dom dividends (0%)	0€
Total tax	~5.000€
Effective rate: ~5% Savings vs Spain: ~€38,000	

Digital business	250.000€/año
Gross revenue	250.000€
Business expenses (~25%)	-62.500€
Personal invoices (2 people)	-31.200€
Low director salary	-12.000€
Taxable base	144.300€
Corporate tax (15%)	21.645€
Non-Dom dividends (0%)	0€
Total tax	~12.500€
Effective rate: ~5% Savings vs Germany: ~€107,000	

Investor / High net worth	500.000€/año
Gross revenue	500.000€
Business expenses (~20%)	-100.000€
Personal invoices (2 people)	-31.200€
Low director salary	-12.000€
Taxable base	356.800€
Corporate tax (15%)	53.520€
Non-Dom dividends (0%)	0€
Total tax	~25.000€
Effective rate: ~5% Savings vs France: ~€210,000	

DEDUCTIONS

Everyday Deductible Expenses

In Cyprus, many everyday costs are legally deductible through your company. This reduces your taxable base and your actual tax bill.

- > **Office or coworking rent**
Including proportional home office if you work from home.
- > **Company vehicle**
Leasing, fuel, insurance and maintenance of the company car.
- > **Technology and software**
Laptop, phone, SaaS subscriptions, hosting, domains.
- > **Business travel**
Flights, hotels and per diems when traveling for work.
- > **Private health insurance**
Health insurance premiums are deductible as a company expense.
- > **Professional training**
Courses, conferences, books and educational materials related to your business.
- > **Business meals**
Lunches and dinners with clients or partners (with receipts).
- > **Tax and legal advisory**
Your accountant and lawyer fees are 100% deductible.

TAX RESIDENCY

Residency Rule: 60 Days vs 183 Days

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| <p>60-Day Rule</p> <ul style="list-style-type: none"> ✓ Spend at least 60 days in Cyprus ✓ Not be a tax resident of any other country ✓ Have a business or employment in Cyprus ✓ Have permanent residence (rental or property) | <p>183-Day Rule</p> <ul style="list-style-type: none"> ✓ Spend at least 183 days in Cyprus ✓ No additional business requirements ✓ The simplest and most straightforward option ✓ Applies automatically when you meet the days |
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The 60-day rule is ideal if you travel frequently. It lets you be a Cyprus tax resident while spending just 2 months per year in the country.

AVOID THESE PITFALLS

Common Mistakes

These are the most frequent mistakes we see among new Non-Dom residents. Avoid them and save yourself headaches (and money).

**Not registering as a tax resident on time**

You need to apply for your TIC and register before your first tax year ends. Otherwise, you lose first-year benefits.

**Not documenting presence days**

Keep flight tickets, passport stamps and flight records. The tax authority can request them.

**Keeping tax residency in your home country**

If you don't formally cancel your previous tax residency, you could end up resident in two countries and pay double.

**Not separating personal and company finances**

Use separate bank accounts. Mixing personal and corporate funds is the fastest way to get in trouble.

**Ignoring social contributions**

Even though taxes are low, you still pay social insurance (8.3% employer + 8.3% employee) and GESY (2.65%).

**Not hiring a tax advisor from day one**

A good advisor pays for itself. We can help you find the best one for your profile with zero hassle. Contact us at contact@cyprustaxlife.com