



Tax Facts 2026



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01 WELCOME MESSAGE



WELCOME

Proper and strategic tax planning is essential. Our team brings the expertise and knowledge needed to help you structure your tax affairs effectively, ensuring you achieve the lowest possible tax obligations.

This publication offers a detailed overview of the tax updates introduced in 2025. We are here to provide innovative, tailored solutions and valuable insights to help you organise your operations in a tax-efficient manner.

This booklet serves as a general guide to the Cyprus tax framework and is intended for informational purposes only. It should not be considered a replacement for professional advice.

For further information or expert assistance, please contact our tax department.

Oneserve Ltd
January 2026

02 PERSONAL INCOME TAX



Basis of taxation

All Cyprus tax residents are taxed on all income accrued or derived from all sources in Cyprus and abroad. Non-Cyprus residents are just taxed on income accrued or derived from sources in Cyprus.

Personal Income Tax

An individual is tax resident in Cyprus if he spends in Cyprus more than 183 days in any one calendar year. An individual may also be considered tax resident in Cyprus if he satisfies the 60 day rule. Under the 60 day rule, the individual must not reside in any other single state for a period exceeding 183 days in aggregate during the tax year, must reside in Cyprus for at least 60 days, must carry on a business in Cyprus and/or be employed in Cyprus and/or hold an office in a company tax resident in Cyprus during the tax year, provided that such is not terminated during the tax year, and must maintain a permanent residential property in Cyprus which is either owned or rented. From 1.1.2026, it is no longer required that the individual is not tax resident in any other state for the same tax year.

Days in and out of Cyprus are calculated as follows:

- the day of departure from Cyprus counts as a day of residence outside Cyprus
- the day of arrival in Cyprus counts as a day of residence in Cyprus
- arrival and departure from Cyprus on the same day counts as one day of residence in Cyprus
- departure and arrival in Cyprus on the same day counts as one day of residence outside Cyprus.

Personal tax rates

The following income tax rates apply to individuals:

Chargeable income	Tax rate	Accumulated tax
€	%	€
0 - 22.000	Nil	Nil
22.001 - 32.000	20	2.000
32.001 - 42.000	25	2.500
42.001-72.000	30	9.000
over 72.001	35	

Foreign pension is taxed at the rate of 5%. An annual exemption of €5.000 is granted.

Cyprus widows pension is taxed at the rate of 20% on amounts over 19.500. The taxpayer can however elect on an annual basis to be taxed at the normal tax rates and bands set out above for either the foreign or the Cyprus pensions.

Exemptions

Type of income	Exemption
Interest, except interest arising from ordinary business activities	Whole amount **
Dividends	Whole amount **
Remuneration for first employments exercised in Cyprus commencing after 26 July 2022, subject to conditions	20% of income, maximum €8.550 annually
Remuneration from salaried services rendered outside Cyprus for more than 90 days in a tax year to a non-Cyprus resident employer or to a foreign permanent establishment of a Cyprus resident employer	Whole amount
Profits of a permanent establishment abroad under certain conditions ***	Whole amount
Lump sum received by way of retiring gratuity, commutation of pension or compensation for death or injuries	Whole amount
Capital sums accruing to individuals from any payments to approved funds (e.g. provident funds)	Whole amount
Profits from the sale of securities	Whole amount
Remuneration for first employments exercised in Cyprus commencing as from 1 January 2022 with remuneration exceeding €55.000, subject to conditions	50% of the remuneration
Profits from the production of films, series and other related audiovisual programs	Lower of 35% of eligible cost & 50% of taxable income

Notes - Individuals that were eligible to claim the 20% or 50% exemptions that applied before 1/1/2022 may continue to claim the said exemption for any remaining period if they are not eligible to claim the exemption for employments commencing from 1/1/2022.

Tax Deductions

All expenses incurred wholly and exclusively for the production of income are deductible, subject to the provisions of the Income Tax Law:

Type of income	Exemption
Contributions to trade unions or professional bodies	whole amount
Loss of current year and previous years	whole amount
Rental Income	20% of rental income
Donations to approved charities with receipts	whole amount
Expenditure incurred for the maintenance of a building in respect of which there is in force a Preservation Order	Up to €1.200, €1.100 or €700 per square meter (depending on the size of the building)
Social Insurance, provident fund, general health or private medical fund (maximum 1,5% of remuneration), pension fund contributions (max 10% of remuneration) and life insurance premiums (maximum 7% of the insured amount)	Up to 1/5 of the chargeable income
Eligible infrastructure and technological equipment expenditure in the audiovisual industry	20%

Tax Deductions

Type of income	Exemption
Amount invested each tax year as from 1/1/17 in approved innovative small & medium sized enterprises either directly or indirectly (applicable until 31/12/26)	Up to 50% of taxable income before this deduction, subject to a maximum of €150.000 per year. Unused deduction may be carried forward and claimed in the following 5 years, subject to the same cap
Expenditure of revenue nature for scientific research and for R&D, subject to conditions	Whole amount
Tax amortisation on any expenditure of capital nature for scientific research and for R&D, subject to conditions	Whole amount allocated over the useful life of the asset, maximum period 20 years
Additional deductions from 1.1.2026	
Dependent child	
– first child	€1.000
– second child	€1.250
– third child - third and each additional child	€1.500

Interest on performing loan for purchase or construction of primary residence in Cyprus	Up to €2.000 per spouse, partner or single person
Rent of primary residence in Cyprus	Up to €2.000 per spouse, partner or single person
Energy efficiency, renewable energy, electricity storage and electric vehicle expenditure	Up to €1.000 per spouse, partner or single person
Insurance premiums for insurance of residence against natural disasters	Up to €500

Non-deductible expenses

Type of expense	Non-deductible
Expenses not incurred wholly and exclusively for the production of taxable income	whole amount
Business entertainment	Amount in excess of 1% of the gross income or €30.000, whichever is lower
Interest payable or deemed to be payable in relation to the acquisition of a private motor vehicle, irrespective of whether it is used in the business or not, or other asset not used in the business	whole amount
Private motor vehicle expenses	whole amount
Professional tax	whole amount

Immovable property tax	whole amount
Expenditure which is not supported by invoices and relevant receipts or other supporting documentation as required by the relevant regulations	whole amount
Wages and salaries relating to services offered within the tax year on which contributions to the Social Insurance Fund, Redundancy Fund, Human Resource Development Fund, Social Cohesion Fund, Pension Fund and Provident Fund have not been paid in the year in which they were due.	whole amount

From 1.7.2026, no deduction is allowed for rent unless it is paid electronically in accordance with the relevant law.

Notes

Interest expense incurred for the acquisition of shares in a wholly owned direct or indirect subsidiary is deductible for income tax purposes provided that this subsidiary does not own directly or indirectly any assets which are not used in the business. If this subsidiary owns directly or indirectly assets not used in the business, the interest expense that corresponds to the percentage of assets not used in the business is not deductible.

If the relevant social and related contributions are paid in full within 2 years following the due date, such wages and salaries will be tax deductible in the tax year in which they are paid.

Losses: Tax losses carried forward

Individuals who have an obligation to prepare audited financial statements will be able to carry forward tax losses incurred during a tax year over the next seven years from the end of the tax year in which they were incurred, to be offset against taxable income.

Where a person, including a partnership, converts his business into a limited liability company, any unrelieved losses may be transferred to the new company.

Loans or other financial assistance provided to company directors or individual shareholders

Any amount received as a loan or financial assistance by a company's director, or by a company's individual shareholder, or by his or her spouse, or by any relative up to second degree is considered a monthly benefit equal to 9% per annum calculated on that amount. Such benefit is included in the individual's income subject to income tax.

The amount of tax on the monthly benefit should be withheld from the individual's monthly salary and paid to the Tax Department on a monthly basis under the PAYE system.

Annual wear and tear allowances

Annual wear and tear allowances available to companies are also available to individuals.

03 CORPORATION TAX



Basis of taxation

A company is Cyprus resident if it is managed and controlled in Cyprus. All such companies are taxed on their worldwide income. As from 1 January 2026, a Cyprus incorporated or registered company is by default considered a tax resident of Cyprus unless a Double Tax Treaty provides otherwise.

A non-Cyprus tax resident company is taxed on income accrued or derived from a business activity which is carried out through a permanent establishment in Cyprus and on certain income arising from sources in Cyprus.

Corporation Tax

Corporation tax	15%
Exemptions	
Type of income	Exemption limit
Profit from the sale of securities	The whole amount
Dividends (from 1 Jan 2016, dividends which are tax deductible for the paying company are excluded from this exemption)	The whole amount ²
Interest not arising from the ordinary activities or closely related to the ordinary activities of the company ¹	The whole amount ²
Profits of a permanent establishment abroad, under certain conditions	The whole amount ³
Gains relating to foreign exchange differences (forex) with the exception of forex arising from trading in foreign currencies and related derivatives.	The whole amount
Profits from the production of films, series and other related AV programs (Any restriction may be carried forward for 5 years)	Lower of 35% of eligible cost & 50% of taxable income

¹All the interest income of Collective Investment Schemes is considered to be arising from the ordinary activities or closely related to the ordinary activities of the Scheme.

²As from 1 January 2026, such interest accrued by companies is deemed to be subject to corporation tax and exempt from Special Contribution for the Defence.

³As from 1/7/16, taxpayers may elect to tax the profits earned by a foreign permanent establishment, with a tax credit for foreign taxes incurred on those foreign permanent establishment profits.

Introduction of global minimum tax rules in compliance with OECD guidelines, applying a 15% effective tax rate for multinational groups with annual consolidated revenues exceeding €750 million.

Tax deductions	
All expenses incurred wholly and exclusively in earning the income of the company including:	
Type of expense	Exemption limit
Donations to approved charities (with receipts)	The whole amount
Employer's contributions to social insurance, national health system and approved funds on employees' salaries	The whole amount
Any expenditure incurred for the maintenance of a building in respect of which there is a Preservation Order	Up to €700, €1.100 or €1.200 per square meter (depending on the size of the building)
Entertainment expenses for business purposes	Lower of €30.000 or 1% of the gross income of the business
Royalty income, embedded income and other qualifying income derived from qualifying intangible assets in the 'new' Cyprus intellectual property (IP) box (provision applies with effect from 1 July 2016) ¹	Nil – ceased applying as from 1 July 2021
Royalty income, embedded income and other qualifying income derived from qualifying intangible assets in the 'old' Cyprus IP box ³	80% of the net profit
Tax amortisation on any expenditure of a capital nature for the acquisition or development of IP (provision applies with effect from 1/7/16) ⁴	Allocated over the lifetime of the IP (maximum period 20 years)
Employer's contributions to: <ul style="list-style-type: none"> • Medical fund for employees • Provident/Pension fund for employees 	<ul style="list-style-type: none"> • 1% on employee's remuneration • 10% on employee's remuneration

<p>Interest expense incurred for the direct or indirect acquisition of 100% of the share capital of a subsidiary company will be treated as deductible for income tax purposes provided that the 100% subsidiary company does not own (directly or indirectly) any assets that are not used in the business. If the subsidiary owns (directly or indirectly) assets not used in the business the interest expense deduction is restricted to the amount which relates to assets used in the business. This applies for acquisitions of subsidiaries from 1/1/12.</p>	<p>The whole amount of interest expense if the subsidiary does not own (directly or indirectly) any assets not used in the business. A restricted amount of interest expense if the subsidiary owns (directly or indirectly) assets not used in the business. From 1/1/19 an interest limitation rule applies in accordance with the EU Anti-tax Avoidance Directive.</p>
<p>Eligible infrastructure and technological equipment expenditure in the audiovisual industry</p>	<p>20% for small/ 10% for medium enterprises</p>
<p>Tax amortisation on any expenditure of capital nature for scientific research and for R&D, subject to conditions (6)</p>	<p>The whole amount (and for expenditure incurred up to and including tax year 2030, an additional 20%) allocated over the lifetime of the asset (maximum period 20 years)</p>
<p>Expenditure of revenue nature for scientific research and for R&D, subject to conditions</p>	<p>The whole amount and, for expenditure incurred up to and including tax year 2030, an additional 20%</p>

<p>Amount invested each tax year in approved innovative small and medium sized enterprises either directly or indirectly, subject to conditions (applicable up to 31 December 2026).</p>	<p>Up to 50% of the taxable income as calculated prior to this deduction, subject to a maximum of €150.000 per year. Unused deduction may be carried forward and claimed in the following 5 years, subject to the same cap.</p>
<p>Equity introduced to a company as from 1/1/15 (new equity) in the form of paid-up share capital or share premium is eligible for an annual notional interest deduction (NID). The annual NID deduction is calculated as an interest rate on the new equity. The relevant interest rate is the yield on 10 year government bonds (as at December 31 of the prior tax year) of the country where the funds are employed in the business of the company plus a 3% premium (subject to a minimum amount which is the yield on the 10 year Cyprus government bond as at the same date plus a 3% premium). Certain anti-avoidance provisions apply. For 2019 the minimum relevant interest rate is 5,302% (4,881% for 2018). A taxpayer may elect not to claim all or part of the available NID for a particular tax year. Certain anti-avoidance provisions apply.</p>	<p>The NID deduction cannot exceed 80% of the taxable profit derived from assets financed by new equity (as calculated prior to the NID deduction)</p>
<p>but not including:</p>	
<p>Expenses of a private motor vehicle</p>	<p>The whole amount</p>
<p>Professional tax</p>	<p>The whole amount</p>
<p>Immovable property tax</p>	<p>The whole amount</p>

Interest applicable to the cost of acquiring a private motor vehicle, irrespective of its use and to the cost of acquiring any other asset not used in the business	The whole amount for 7 years
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Notes:

1. 'Intangible assets' comprise patents, copyrighted software, utility models, intangible assets that grant protection to plants and genetic material, orphan drug designations, extensions of patent protection. It also comprises of other intangible assets which are non-obvious, useful and novel, that are certified as such by a designated authority, and where the taxpayer satisfies size criteria (i.e. annual IP related revenue does not exceed €7,5m for the taxpayer, and group total annual revenue does not exceed €50m, using a 5 year average for both calculations).
2. A fraction is applied to the net profit based on research and development (R&D) activity of the taxpayer; the higher the amount of R&D undertaken by the taxpayer itself (or via a taxable foreign permanent establishment or via unrelated third party outsourcing), the higher the amount of R&D fraction (modified nexus fraction).
3. The old Cyprus IP box is closed as from 30 June 2016. Under transitional/grandfathering rules, taxpayers with intangible assets that were already included in the old Cyprus IP box as at 30 June 2016 continued to apply the old Cyprus IP box provisions for a further five years i.e. until 30 June 2021 for those intangible assets. As from 1 July 2021 the grandfathering provisions do not apply.
4. A taxpayer may elect not to claim all or part of the available tax amortization for a particular tax year. Unclaimed tax amortisation capacity may be carried forward to be used in future years (spread over the remaining UEL of the asset).
5. Amounts invested in approved innovative small and medium sized enterprises may qualify for deduction up to 50% of taxable income, subject to a maximum of €150.000 per year, with unused deduction carried forward for 5 years. The measure applies up to 31 December 2026.
6. A taxpayer may elect not to claim all or part of the available tax amortization for a particular tax year. Unclaimed tax amortisation capacity may be carried forward to be used in future years (spread over the remaining UEL of the asset).

Interest deductibility

- No interest expense restriction will apply in cases where shares are acquired directly or indirectly in a wholly owned subsidiary provided that this subsidiary does not own any assets which are not used in the business.
- If this subsidiary does own assets that are not used in the business, the restriction of interest will only correspond to the percentage of assets not used in the business.
- This amendment is effective in respect of interest incurred on borrowings used for the acquisition of shares acquired on or after 1 January 2012.

Losses carried forward

The tax loss incurred during a tax year and which cannot be set off against other income, is carried forward subject to conditions and set off against the profits of the next seven years.

The current year loss of one company can be set off against the profit of another group company. Group companies must be resident in Cyprus for tax purposes and a group is defined as:

- One company holding at least 75% of the shares of the other company or
- At least 75% of the voting shares of the companies are held by another company.
- With the amended legislation, in cases where a company has been incorporated by its parent company during the tax year, this company will be deemed to be a member of this group for group relief purposes for that tax year.

As from 1 January 2015 interposition of a non-Cyprus tax resident company will not affect the eligibility for group relief as long as such company is tax resident of either an EU country or in a country with which Cyprus has a double tax treaty or an exchange of information agreement (bilateral or multilateral). A partnership or a sole trader transferring its business into a company can also carry forward its tax losses into the company for future use. Losses from a permanent establishment abroad can be set off with profits of the company in Cyprus. Subsequent profits of the permanent establishment abroad are taxable up to the amount of losses allowed.

Reorganisations

Transfers of assets and liabilities between companies have no tax implications within the framework of a reorganisation and tax losses can be carried forward by the receiving entity.

Reorganisations include:

- mergers
- demergers
- partial divisions
- transfer of assets
- exchange of shares
- transfer of registered office

As from 1 January 2015 a Cyprus tax resident company may also claim the tax losses of a group company which is tax resident in another EU country, provided such EU company firstly exhausts all possibilities available to utilise its losses in its country of residence or in the country of any intermediary EU holding company.

Tax Residency

As from 1 January 2026, any company incorporated or registered in Cyprus whose management and control is exercised outside Cyprus will still be considered as tax resident of Cyprus unless a Double Tax Treaty provides otherwise.

Annual wear and tear allowances on fixed assets

The following allowances which are given as a percentage on the cost of acquisition are deducted from the chargeable income:

Fixed Assets	%
Plant and machinery *	10
Furniture and fittings	10
Televisions and videos	10
Industrial carpets	10
Boreholes	10
Machinery and tools used in an agricultural business	15
Computer hardware and operating systems	20
Application software	33 1/3
Commercial motor vehicles	20
Motor cycles	20
Excavators, tractors, bulldozers, self-propelled loaders and drums for petrol companies	25
Expenditure on application software less than €1.709, is written off in the year of acquisition	
Buildings	%
Commercial buildings	3
Industrial, agricultural & hotel buildings **	4
Flats	3
Metallic greenhouse structures	10
Wooden greenhouse structures	33 1/3
Boats	%
Sailing vessels	4,5
Steamers, tugs and fishing boats	6,0
Ship motor launches	12,5
New cargo vessels	8,0
New passenger vessels	6,0
Used cargo/passenger vessels - over useful lives	
Tools	%
Tools in general	33 1/3
Videotapes property of video clubs	50
Wind Power Generators	10
Photovoltaic Systems	10

Notes:

*The rate of capital allowances for any plant and machinery purchased in the tax years 2012-2018 has been set at 20%, unless the rate of capital allowances on such assets is higher.

**For industrial and hotel buildings purchased in the tax years 2012-2018, the capital allowances rate will be increased from 4% to 7%.

*** Buildings for agricultural and livestock production acquired during the tax years 2017-2018 (inclusive) are eligible for accelerated tax depreciation at the rate of 7% per annum.

Special type of companies

Shipping companies

The Merchant Shipping Legislation fully approved by the EU (approval extended up to 31 December 2029) provides for exemption from all direct taxes and taxation under tonnage tax regime of qualifying shipowners, charterers and shipmanagers, from the operation of qualifying community ships (ships flying a flag of an EU member state or of a country in the European Economic Area) and foreign (non community) ships (under conditions), in qualifying activities.

The legislation allows non community vessels to enter the tonnage tax regime provided the fleet is composed by at least 60% community vessels. If this requirement is not met, then non community vessels can still qualify if certain criteria are met.

The legislation includes an “all or nothing” rule, meaning that if a shipowner/charterer/ shipmanager of a group elects to be taxed under the Tonnage Tax regime, all shipowners/ charterers/ shipmanagers of the group should elect the same.

Exemption is also given in relation to the salaries of officers and crew aboard a community qualifying ship.

Insurance companies

Profits of insurance companies are liable to corporation tax similar to all other companies except in the case where the corporation tax payable on taxable profit of life insurance business is less than 1,5% on gross premium. In this case the difference is paid as additional corporation tax.

04 SPECIAL CONTRIBUTION FOR DEFENCE



Scope

Up to 31.12.2025 - Special Contribution for the Defence was imposed on dividend income, passive interest income and rental income earned by companies tax resident in Cyprus and by individuals who were both Cyprus tax resident and Cyprus domiciled.

From 1.1.2026 - Special Contribution for the Defence is imposed on dividend income and passive interest income earned by companies tax resident in Cyprus and by individuals who are both Cyprus tax resident and Cyprus domiciled. Rental income is no longer subject to Special Contribution for the Defence.

Dividend income

Up to 31.12.2025 - Dividend income from Cyprus resident companies was subject to Special Contribution for the Defence at 17%. Dividend income from non-Cyprus resident companies was also subject to Special Contribution for the Defence at 17%, subject to the relevant exemption conditions.

From 1.1.2026 - Dividend income from Cyprus resident companies is subject to Special Contribution for the Defence at 5% on dividends paid out of profits arising from 2026 onwards. Dividend income from non-Cyprus resident companies is subject to Special Contribution for the Defence at 5% on dividends paid out of profits arising from 2026 onwards, subject to the relevant exemption conditions.

Interest income

Up to 31.12.2025 - Interest income arising from the ordinary activities or closely related to the ordinary activities of the business was not subject to Special Contribution for the Defence. Other interest income was subject to Special Contribution for the Defence at 17%.

From 1.1.2026 - Interest income arising from the ordinary activities or closely related to the ordinary activities of the business remains outside Special Contribution for the Defence. Other interest income remains subject to Special Contribution for the Defence at 17%.

Rental income

Up to 31.12.2025 - Rental income, reduced by 25%, was subject to Special Contribution for the Defence at 3%.

From 1.1.2026 - Rental income is no longer subject to Special Contribution for the Defence.

Deemed dividend distribution

Up to 31.12.2025 - A Cyprus tax resident company was deemed to distribute as a dividend 70% of its accounting profits, as adjusted for Special Contribution for the Defence purposes, two years from the end of the tax year in which the profits were generated. The deemed dividend distribution provisions applied to the extent that the ultimate direct or indirect shareholders were individuals who were both Cyprus tax resident and Cyprus domiciled.

From 1.1.2026 - The deemed dividend distribution provisions are abolished for profits arising from 2026 onwards. Transitional provisions continue to apply to profits of earlier years.

Disposal of assets to shareholder at less than market value

Up to 31.12.2025 - When a company disposed of an asset to an individual shareholder or a relative up to second degree or spouse for a consideration less than its market value, the difference between the consideration and the market value was deemed to have been distributed as a dividend to the shareholder. This did not apply to assets originally gifted to the company by that shareholder or relative.

From 1.1.2026 - Disguised dividend rules apply. The difference between the market value of an asset disposed of by the company to the shareholder or a connected person and the consideration paid is treated as a disguised dividend. This does not apply where the asset was originally acquired by donation from that shareholder or related party, where benefit in kind rules apply, or where the distribution takes place in the context of a reduction of share capital or liquidation.

Company dissolution

Up to 31.12.2025 - The cumulative profits of the last five years prior to the company's dissolution, which had not been distributed or deemed to have been distributed, were considered as distributed on dissolution and were subject to Special Contribution for the Defence at 17%.

From 1.1.2026 - The deemed dividend distribution provisions are abolished for profits arising from 2026 onwards. However, transitional rules continue to apply, and liquidation proceeds may still be subject to Special Contribution for the Defence to the extent that they relate to profits earned up to 31.12.2025.

Reduction of capital

Up to 31.12.2025 - In the case of a reduction of capital of a company, any amounts paid or due to the shareholders over and above the previously paid-in equity were considered as dividends distributed and were subject to Special Contribution for the Defence at 17%, after deducting any amounts previously deemed as distributable

profits.

From 1.1.2026 - The distribution of assets to a shareholder as part of a reduction of share capital is regarded as taking place at market value. To the extent that the market value of the distributed assets exceeds the amount of capital actually paid to the company by that shareholder, reduced by any relevant capital gains tax and previous capital returns, the excess is treated as a dividend and taxed accordingly.

Collective Investment Schemes

Up to 31.12.2025 - The redemption of units or shares in a Collective Investment Scheme was not subject to the above provisions.

From 1.1.2026 - No change to this treatment from 1.1.2026. From 1.1.2031, the redemption of units or shares in closed or open Collective Investment Schemes in the legal form of a company will be treated as a reduction of capital, subject to the relevant conditions.

Individuals subject to Special Contribution for the Defence

Up to 31.12.2025 - An individual was subject to Special Contribution for the Defence only if he was both Cyprus tax resident and Cyprus domiciled.

From 1.1.2026 - An individual continues to be subject to Special Contribution for the Defence only if he is both Cyprus tax resident and Cyprus domiciled. A person who becomes deemed domiciled under the 17 out of 20 years rule continues to be treated as domiciled until completion of 20 years of non-residence.

Foreign tax credit

Up to 31.12.2025 - Foreign taxes paid could be credited against the Special Contribution for the Defence liability, subject to the relevant provisions.

From 1.1.2026 - Foreign taxes paid may continue to be credited against the Special Contribution for the Defence liability, subject to the relevant provisions.

05 CAPITAL GAINS TAX



Capital Gains Tax is imposed, where the disposal is not subject to income tax, at the rate of 20% on gains from the disposal of immovable property situated in Cyprus. It also applies to gains from the disposal of shares in companies which directly or indirectly derive value from such immovable property in Cyprus, subject to the relevant provisions of the law and any applicable Double Tax Treaty. From 1 January 2026, shares are within the scope of Capital Gains Tax where they derive, directly or indirectly, 20% of their value from immovable property situated in Cyprus, instead of the 50% threshold previously applicable. From 1 January 2026, the exemption for listed shares is restricted to shares listed on a regulated market of a recognised stock exchange. Shares listed on an unregulated market are no longer automatically excluded, although transitional and limited exemptions apply, including grandfathering for certain holdings existing on 31 December 2025 and a €50,000 cumulative annual disposal threshold in certain cases.

Exemptions

The following disposals of immovable property are not subject to Capital Gains Tax:

- Subject to conditions, land as well as land with buildings acquired in the period 16 July 2015 to 31 December 2016 are exempt from Capital Gains Tax upon disposal.
- Transfers arising on death.
- Gifts made from parent to child or between spouses or between relatives up to third degree.
- Gifts to a company where the company's shareholders are members of the donor's family and the shareholders continue to be members of the family for five years after the date of transfer.
- Gifts by a family company to its shareholders, provided that the property was originally acquired by the company by way of donation and the property is retained by the donee for at least three years.
- Gifts to charities and the Government.
- Transfers as a result of reorganisations.
- Exchange or disposal of immovable property under the Agricultural Land (Consolidation) Laws.
- Expropriations.
- Exchange of properties, provided that the whole of the gain made on the exchange has been used to acquire the other property. The gain that is not taxed is deducted from the cost of the new property,

so the tax is effectively deferred until the disposal of the new property. From 1 January 2026, this exemption also expressly covers exchange of land for apartment / land for development consideration in kind, subject to conditions.

Determination of capital gain

Liability is confined to gains accruing since 1 January 1980. The costs deductible from the gross proceeds on disposal of immovable property are the market value of the property as at 1 January 1980, or the cost of acquisition and improvement if acquired after that date, adjusted for inflation up to the date of disposal on the basis of the Cyprus consumer price index. Expenses related to the acquisition and disposal of the immovable property, such as transfer fees and legal expenses, are also deductible subject to conditions.

From 1 January 2026, where shares in a property-rich company are disposed of, the law clarifies that the disposal proceeds are determined by reference to the declared proceeds, adjusted for the market value of other assets and liabilities, in order to isolate the Cyprus immovable-property component.

Deductions

Individuals are entitled to the following lifetime deductions from chargeable gains:

- Disposal of principal private residence: €150,000 subject to conditions.
- Disposal of agricultural land by a farmer: €50,000.
- Other disposals: €30,000.

These are lifetime deductions, subject to an overall lifetime maximum of €150,000.

06 VALUE ADDED TAX



VAT is imposed on the provision of goods and services in Cyprus, as well as on the acquisition of goods from the European Union (EU) and the import of goods into Cyprus.

Taxable persons charge VAT on their taxable supplies (output tax) and are charged with VAT on goods or services which they receive (input tax).

Value Added Tax

Value Added Tax is imposed on the supply of goods and services in Cyprus, on intra-Community acquisitions of goods and on imports of goods into Cyprus. The standard VAT rate is 19%. Reduced rates of 9%, 5% and 3% also apply to certain goods and services, while some supplies are zero-rated or exempt.

If output VAT in a VAT period exceeds input VAT, the difference is payable to the Tax Department. If input VAT exceeds output VAT, the excess is carried forward or may be refunded subject to the relevant conditions. A refund of excess input VAT may be claimed in certain cases, including where four months have elapsed from the date the VAT became refundable, where the input VAT relates to zero-rated transactions, capital assets, supplies outside the scope of Cyprus VAT that would have been taxable if carried out in Cyprus, or certain financial and insurance services supplied to non-EU customers. Interest may apply if repayment is delayed beyond the statutory period.

For intra-Community acquisitions of goods, VAT is generally accounted for under the acquisition accounting method. The trader self-charges VAT and claims it back in the same VAT return, provided there is a right to recover the related input VAT. Where there is no right to recover the input VAT, the corresponding VAT cost remains payable.

VAT on immovable property

The leasing of immovable property is generally exempt from VAT. However, VAT at the standard rate may apply on the lease of immovable property to a taxable person engaged in taxable activities by at least 90%, unless the lessor opts not to impose VAT on the specific property. The option not to impose VAT is irrevocable.

The sale of non-developed building land intended for the construction of one or more structures in the course of a business activity is subject to VAT at 19%. No VAT is imposed on land located in livestock, environmental protection, archaeological or agricultural zones not intended for development.

Leases of immovable property which effectively transfer the risks and rewards of ownership are treated as supplies of goods and are subject to VAT at the standard rate. The supply of a building is subject to VAT when it takes place before first delivery and on any subsequent delivery within five years from completion, provided that no actual use has taken place by an unrelated person for at least 24 months.

Reduced VAT rate on primary residence

The reduced VAT rate of 5% applies to the first 130 square metres of a residence to be used as the primary and permanent place of residence, up to a value of €350.000, provided that the total transaction value does not exceed €475.000 and the total buildable area does not exceed 190 square metres. Where the residence exceeds the relevant thresholds but remains within the statutory limits, the reduced rate may apply proportionally and the balance may be subject to the standard rate.

VAT rates

- Zero rate 0%
- Reduced rate 3%
- Reduced rate 5%
- Reduced rate 9%
- Standard rate 19%

As from 1.1.2026, the temporary zero VAT rate on certain essential goods has been extended until 31.12.2026. This applies to certain basic items including baby milk, baby diapers, adult incontinence products, feminine hygiene products, fresh fruit and fresh vegetables.

Exemptions from VAT

Exempt supplies include, among others, the letting of immovable property, most banking and financial services, insurance services, most hospital, medical and dental care services, certain cultural, educational and sports activities, postal services provided by the national postal authority, lottery tickets and betting coupons, and certain fund management services.

Difference between zero-rated and exempt supplies

Businesses making zero-rated supplies generally retain the right to recover related input VAT. Businesses making exempt supplies are generally not entitled to recover VAT charged on their purchases, expenses or imports.

Irrecoverable input VAT

Input VAT cannot generally be recovered if it relates to purchases used for making exempt supplies, the purchase, import or hire of saloon cars, entertainment and hospitality expenses other than certain employee-related expenses, or directors' housing expenses.

Registration

VAT registration is compulsory for businesses with taxable turnover exceeding €15.600 in the preceding 12 months or expected taxable turnover exceeding €15.600 within the next 30 days. Businesses with turnover below this threshold may register voluntarily in certain cases. Registration is also required for certain intra-Community acquisitions of goods exceeding €10.251,61 in a calendar year, for intra-Community supplies of services, and for receipt of services from abroad where the reverse charge applies. Non-established persons carrying out taxable activities in Cyprus are subject to compulsory registration with no threshold.

VAT returns and payment

VAT returns are generally submitted quarterly and the VAT due is payable by the 10th day of the second month following the end of the VAT period. In certain cases, a different filing period may be approved by the Tax Department.

Limits and penalties		€
1	Registration threshold (taxable supplies in Cyprus)	15.600
2	Registration threshold for non-established persons in the Republic of Cyprus (taxable supplies in Cyprus)	no threshold
3	Registration threshold for distance sales (sale of goods to persons not subject to VAT registration in Cyprus, by suppliers resident in another EU Member State)	35.000
4	Registration threshold for acquisition of goods in Cyprus from suppliers resident in another EU MS	10.251,61
5	Registration threshold for intra – Community supply of services	no threshold
6	Registration threshold for receipt of services from abroad for which the recipient must account for VAT under the reverse charge provisions	15.600
7	Penalty for late submission of VAT return	100 @ each return
8	Penalty for omission to keep books and records for a period of 7 years	341
9	Penalty for late submission of VIES return	50 @ each return
10	Penalty for late submission of corrective VIES return	15 @ each return
11	Omission to submit the VIES return constitutes a criminal offence with a maximum penalty of	850
12	Penalty for late registration with the VAT authorities	85 @ month of delay
13	Penalty for failure to apply the reverse charge provisions (as from 1 July 2021)	200 @ each return
14	Penalty for late VAT deregistration	85 (one-off)
15	Penalty for late payment of VAT	10% additional tax plus default interest on the late payment of VAT, including the 10% additional tax

07 IMMOVABLE PROPERTY TAX



Immovable Property Tax is imposed on the market value as at 1 January 1980 and applies to the immovable property owned by the taxpayer on 1 January of each year. This tax is payable on 30 September each year. Physical and legal persons are both liable to Immovable Property Tax.

Immovable Property Tax (abolished from 1.1.2017)

Tax rates

The bands and rates for Immovable Property Tax for properties situated in Cyprus apply per owner, not per property. Property owners whose property has a total value of €12.500 are exempt from Immovable Property Tax.

Property value 1 Jan 1980	Rate	Accumulated tax
€	‰	€
Up to 40.000	6	240
40.001-120.000	8	880
120.001-170.000	9	1.330
170.001-300.000	11	2.760
300.001-500.000	13	5.360
500.001-800.000	15	9.860
800.001-3.000.000	17	47.260
Over 3.000.000	19	

Exemptions

The following are not subject to Immovable Property Tax:

- Public cemeteries
- Churches and other religious buildings
- Public hospitals
- Schools
- Immovable property owned by the Republic
- Foreign embassies and consulates
- Common use and public places
- Property under Turkish occupation
- Buildings under a Preservation Order
- Buildings of charitable organisations
- Agricultural land used in farming or stock breeding, by farmer or stock breeder residing in the area.

08 TRUSTS



A trust is established by an individual “the settlor” and is a means whereby property “the Trust Property” is held by one or more persons “the Trustees” for the benefit of another or others “the Beneficiaries” or for specified purposes.

Trusts have traditionally been very important tax planning devices. Even today a very high proportion of tax saving schemes involve trusts.

Trusts

International trusts

The Law defines an International Trust as being a trust in respect of which:

1. The Settlor is not a tax resident in Cyprus during the calendar year which precedes the year of creation of the trust;
2. At least one of the Trustees from time to time is a tax resident in Cyprus during the trust period; and
3. None of the Beneficiaries are tax residents in Cyprus during the calendar year which precedes the year of creation of the trust.

According to applicable law:

- Where the beneficiary is resident in Cyprus, the income and profits of a Cyprus International Trust which are earned or deemed to be earned from sources within and outside of Cyprus, are subject to every form of taxation imposed in Cyprus.
- Where the beneficiary is not a resident of Cyprus, the income and profits of a Cyprus International Trust which are earned or deemed to be earned from sources within Cyprus, are subject to every form or taxation imposed in Cyprus.
- From 1 January 2026, no stamp duty applies to trust instruments in Cyprus.

9 TRANSFER FEES



Transfer fees by the Dept of Land and Surveys

Value	Rate	Fee	Accumulated fees
€	%	€	€
Up to 85.000	3	2.550	2.550
85.001 - 170.000	5	4.250	6.800
Over 170.000	8		

Subject to conditions

- the above transfer fees do not apply if the transaction is subject to VAT, or
- the above transfer fees are reduced by 50% for any immovable property not subject to VAT.

In the case of free transfers of property the transfer fees are calculated on the value of the property as follows:

- from parents to children – Nil
- between spouses – 0,01%
- between third degree relatives – 0,01%
- to trustees €50

'Value' in these cases refers to values as at 1 January 2013. Mortgage registration fees are 1% of the current market value.

In the case of companies' reorganisations, transfers of immovable property are not subject to transfer fees or mortgage registration fees.

10 SOCIAL INSURANCE



Social Insurance

Contributions %	2026
Employer	8,8
Employee	8,8

Social insurance contributions are restricted to a maximum amount that is usually increased annually. The maximum amount that applies for 2026 is €68904 (weekly €1.325/monthly €5.742).

Other employer's contributions

The employer makes the following other contributions based on employee's emoluments:

	%
Social cohesion fund	2,0*
Redundancy fund	1,2**
Industrial training fund	0,5**
Holiday fund (if not exempted)	8,0**

* Social cohesion fund is calculated on total emoluments and has no maximum level

** Restricted to the maximum level as with the social insurance contributions

As from 1 January 2024 the contributions of self-employed persons are 16,6% of their income (15,6% for 2019-2023). Thereafter, the rate will increase by 1% every five years until it reaches 20,4% as from 1 January 2039. The amount of the contributions is subject to a lower and a maximum limit, depending on the profession or trade of the Self-Employed Person. These limits are set on an annual basis.

11 GENERAL HEALTH SYSTEM



A general health system is introduced in Cyprus. Patients will have the option to select a health care provider from the private as well as the public health care sector.

	Category	Applied on	
1.	Employees	Own emoluments	2,65%
2.	Employers	Employees emoluments	2,90%
3.	Self-Employed	Own income	4,00%
4.	Pensioners	Pension	2,65%
5.	Persons holding office*	Remuneration	2,65%
6.	Republic of Cyprus or Natural/ Legal person responsible for the remuneration of persons holding an office	Remuneration	2,90%
7.	Person earning rental, interest, dividend and other income	Rental, Interest, Dividend income etc	2,65%
8.	Republic Consolidated Fund	Emoluments/Pensions of persons 1,3,4,5	4,70%

*Relates to holders of public or local authority office or other office, the income out of which does not come within the scope of 1,3,4,7.

GHS contributions are capped at €180.000 annual income.

12 STAMP DUTY



The following table gives the amount or rate of duty payable on certain documents. Transactions which fall within the scope of reorganizations are exempt from stamp duty. Also, any contracts relating to assets situated outside Cyprus or business affairs that take place outside Cyprus are exempt from stamp duty.

Stamp Duty UP TO 31.12.2025

Nature of documents

Receipts - for sums of over €4	7 cents
Cheques	5 cents
Letters of credit	€2
Letters of guarantee	€4
Bills of exchange (payable within three days, on demand or at sight)	€1
Contracts with a fixed amount	
• the first €5.000	Nil
• between €5.001 to €170.000	1.5‰
• over €170.000	2‰*
• without fixed sum	€35
Customs declaration documents	€18 - €35
Bills of lading	€4
Charterparty	€18
Powers of attorney	
• General	€6
• Limited	€2
Certified copies of contracts and documents	€2

* Capped at a maximum of €20,000

FROM 1 JANUARY 2026

The Stamp Duty Law was abolished. However, documents drafted and signed, even by one contracting party, up to 31.12.2025 remain subject to stamp duty under the rules in force until that date.

13 CAPITAL DUTY



Up to 31.12.2025

Capital Duty

Upon incorporation of the company

Authorised share capital

€105

Issued share capital

There is no stamp duty payable if the shares are issued at their nominal value. There is a €20 flat duty if the shares are issued at a premium

Upon subsequent increases

Authorised share capital

Nil

Issued share capital

€20 flat duty on every issue, whether the shares are issued at nominal value or at a premium.

From 1.1.2026

From 1 January 2026, Cyprus abolished stamp duty. Accordingly, the €20 duty on share issues no longer applies from that date. Any separate Registrar incorporation fee remains a company-registration matter and should not be described as capital duty.

14 TAX DIARY

Tax Diary

End of each month

- Payment of PAYE and General Health System contributions deducted from employees' salaries in the preceding month.
- Payment of Special Contribution for Defence and General Health System contributions withheld on dividends and interest paid in the preceding month to Cyprus tax resident individuals.
- Payment of tax withheld on payments to non-Cyprus residents in the preceding month.
- Electronic submission of the monthly employer's return via Tax For All portal.

31 January

Submission of declaration of deemed dividend distribution (TD623) for the year ended 31 December 2023.

31 March

- Electronic submission of the 2023 corporation tax return (TD4) and Summary Information Table for related party transactions.
- Electronic submission of the 2023 income tax return of physical persons preparing audited financial statements.
- Electronic submission of the 2024 Employer's return (TD7).

31 May

Electronic submission of the 2025 Employer's return (TD7).

30 June

- Payment of General Health System contributions for the first six months of 2026 on rental income if such tax is not withheld at source by the tenant.
- Payment of Special Contribution for Defence and General Health System contributions for the first six months of 2026 on dividends or interest from sources outside Cyprus.
- Payment of General Health System contributions withheld on rent paid for the first six months of 2026 where the tenant is a Cyprus company, partnership, the State or a local authority.

31 July

- Submission of the 2026 provisional tax return and payment of the first instalment.
- Electronic submission of the 2025 personal income tax return and payment of the relevant income tax liability.

1 August

Payment of the 2025 final tax balance under the self-assessment method by individuals and companies preparing audited financial statements.

30 November

Electronic submission of the 2024 corporation tax return (TD4) and Summary Information Table for related party transactions.

31 December

- Payment of the second and last instalment of provisional tax for 2026.
- Payment of General Health System contributions for the last six months of 2026 on rental income if such tax is not withheld at source by the tenant.
- Payment of Special Contribution for Defence and General Health System contributions for the last six months of 2026 on dividends or interest from sources outside Cyprus.
- Payment of General Health System contributions withheld on rent paid for the last six months of 2026 where the tenant is a Cyprus company, partnership, the State or a local authority.

Notes

- From 1.1.2026, all individuals are required to submit an income tax return irrespective of the amount of their taxable income.
- From 1.1.2026, premium tax for life insurance companies has been abolished.
- From 1.7.2026, rent payments must be made electronically.
- A physical person is obliged to submit audited financial statements if his/her annual income from trade, business, rents, dividends, interest, royalties or income relating to trading goodwill exceeds €120.000.

Interest and Penalties

The official interest rate, as set by the Finance Minister, for all amounts due after 1 January 2026 is 3,50% per annum. (5,50% for 2025, 5,00% for 2024, 2,25% for 2023, 1,75% for 2020-2022, 2,00% for 2019, 3,50% for 2017-2018, 4,00% for 2015-2016, 4,75% for 2014 and 2013, 5,00% for 2011-2012, 5,35% for 2010, 8,00% for 2007-2009 and 9,00% up to 31 December 2006). Penalties are charged according to each circumstance, over and above interest.

WHT on dividends, interest and royalties

Cyprus does not levy a WHT on dividends, interest and royalties paid to non-residents of Cyprus except in the case of royalties earned on rights used within Cyprus, which are subject to a WHT of 10% (5% in the case of cinematographic films). Such Cyprus WHT on royalties for rights used within Cyprus may be reduced or eliminated by double tax treaties entered into by Cyprus or by the EU Interest and Royalty Directive as enacted in the Cyprus tax legislation.

WHT on other types of income

Cyprus levies a 10% WHT on technical services performed by nonresidents in Cyprus. However no such WHT is levied if such services are performed via a permanent establishment in Cyprus of the non-resident or if performed between 'associated' companies as these are defined by the EU Interest and Royalty Directive as enacted in the Cyprus tax legislation.

Cyprus also levies a 10% WHT on the gross income/ receipts derived by a non- resident individual from the exercise in Cyprus of any profession or vocation including the remuneration of public entertainers (such as theatrical, musical including football clubs, other athletic missions etc)

Further, a 5% WHT is levied on gross income derived from within Cyprus by non-residents with no local permanent establishment for services in regards to the exploration, extraction, exploration or exploitation of the continental shelf as well as the establishment and use of pipelines and other installations on the ground, on the seabed and on the surface of the sea.

Table A below illustrates the applicable Cyprus WHT rates on outbound dividend, interest and royalty payments.

Table B, further below, illustrates the WHT rates provided for in the double tax treaties entered into by Cyprus. This table illustrates the maximum tax rates on Cyprus inbound payments which the treaty partner country may charge on such type incomes qualifying under the respective treaty. The actual WHT rate charged may be lower/ eliminated based on each paying country's domestic law provisions.

It is noted that, as from 31 December 2022, Cyprus applies WHT of 17% on dividends paid by non-quoted companies, 30% on payments of passive interest (excluding payments by individuals) and 10% on payments of royalties and similar type payments (excluding payments by individuals) if the recipient of the payment is a company in a jurisdiction included on the EU list of non-cooperative jurisdictions on tax matters (commonly referred to as the EU 'blacklist').

TABLE A - WHT ON PAYMENTS FROM CYPRUS

Paid to	Dividends (1) %	Interest (1) %	Royalties Rights not used within Cyprus %	Royalties Rights used within Cyprus %
EU non-cooperative jurisdictions	17%	17%	10%	10%
Other non-treaty countries	Nil	Nil	Nil	5/10 (2)
Andorra	Nil	Nil	Nil	Nil
Armenia	Nil	Nil	Nil	5
Austria	Nil	Nil	Nil	Nil
Bahrain	Nil	Nil	Nil	Nil
Barbados	Nil	Nil	Nil	Nil
Belarus	Nil	Nil	Nil	5
Belgium	Nil	Nil	Nil	Nil
Bosnia (6)	Nil	Nil	Nil	5/10 (3)
Bulgaria	Nil	Nil	Nil	5/10 (3)
Canada	Nil	Nil	Nil	0/5/10 (4),(3)
China, P.R.	Nil	Nil	Nil	5/10 (3)
Czech Republic	Nil	Nil	Nil	0/10 (10)
Denmark	Nil	Nil	Nil	Nil
Egypt	Nil	Nil	Nil	5/10 (3)
Ethiopia	Nil	Nil	Nil	5
Estonia	Nil	Nil	Nil	Nil
Finland	Nil	Nil	Nil	Nil
France	Nil	Nil	Nil	0/5 (3)
Georgia	Nil	Nil	Nil	Nil
Germany	Nil	Nil	Nil	Nil
Greece	Nil	Nil	Nil	0/5 (3)
Guernsey	Nil	Nil	Nil	Nil
Hungary	Nil	Nil	Nil	Nil
Iceland	Nil	Nil	Nil	5
India	Nil	Nil	Nil	5/10 (3)
Iran	Nil	Nil	Nil	5/6 (3)
Ireland Republic	Nil	Nil	Nil	0/5 (3)
Italy	Nil	Nil	Nil	Nil

TABLE A - WHT ON PAYMENTS FROM CYPRUS

Paid to	Dividends (1) %	Interest (1) %	Royalties Rights not used within Cyprus %	Royalties Rights used within Cyprus %
Jersey	Nil	Nil	Nil	Nil
Jordan	Nil	Nil	Nil	5/7 (13)
Kazakhstan	Nil	Nil	Nil	5/10 (3)
Kuwait	Nil	Nil	Nil	5
Latvia	Nil	Nil	Nil	0/5 (11)
Lebanon	Nil	Nil	Nil	Nil
Lithuania	Nil	Nil	Nil	5
Luxembourg	Nil	Nil	Nil	Nil
Malta	Nil	Nil	Nil	5/10 (3)
Mauritius	Nil	Nil	Nil	Nil
Moldova	Nil	Nil	Nil	5
Montenegro (6)	Nil	Nil	Nil	5/10 (3)
Netherlands (14)	Nil	Nil	Nil	Nil
Norway	Nil	Nil	Nil	Nil
Poland	Nil	Nil	Nil	5
Portugal	Nil	Nil	Nil	5/10 (3)
Qatar	Nil	Nil	Nil	5
Romania	Nil	Nil	Nil	0/5 (9)
Russia	Nil	Nil	Nil	Nil
San Marino	Nil	Nil	Nil	Nil
Saudi Arabia	Nil	Nil	Nil	5/8 (12)
Serbia (6)	Nil	Nil	Nil	5/10 (3)
Seychelles	Nil	Nil	Nil	5
Singapore	Nil	Nil	Nil	5/10 (3)
Slovakia Republic (8)	Nil	Nil	Nil	0/5 (9)
Slovenia	Nil	Nil	Nil	5
South Africa	Nil	Nil	Nil	Nil
Spain	Nil	Nil	Nil	Nil
Sweden	Nil	Nil	Nil	Nil
Switzerland	Nil	Nil	Nil	Nil
Syria	Nil	Nil	Nil	5/10 (3)
Thailand	Nil	Nil	Nil	5/10 (5)
Ukraine	Nil	Nil	Nil	5/10 (7)
United Arab Emirates	Nil	Nil	Nil	Nil
United Kingdom	Nil	Nil	Nil	Nil
United States	Nil	Nil	Nil	Nil

1. Under Cyprus legislation, there is no WHT on dividends and interest paid to non residents of Cyprus. Further, there is also no WHT on royalties paid to non-residents of Cyprus for rights not used within Cyprus.
2. Royalties earned on rights used within Cyprus are subject to WHT of 10% (except royalties relating to cinematographic films, where the WHT rate is 5%).
3. The WHT rate of 5% is applicable on royalties for cinematographic films.
4. 0% on literary, dramatic, musical, or artistic work (excluding motion picture films and works on film or videotape for use in connection with television).
5. 5% WHT applies for any copyright of literary, dramatic, musical, artistic, or scientific work.
6. Serbia, Montenegro and Bosnia apply the Yugoslavia/ Cyprus treaty.
7. A 5% WHT will be levied on payment of royalties in respect of any copyright of scientific work, any patent, trademark, secret formula, process, or information concerning industrial, commercial, or scientific experience and cinematographic films.
8. The Cyprus-Czechoslovakia treaty applies with the Slovak Republic.
9. 5% WHT rate applies for patents, trademarks, designs or models, plans, secret formulas, or processes, or any industrial, commercial, or scientific equipment, or for information concerning industrial, commercial, or scientific experience.
10. 10% WHT rate applies for patent, trademark, design or model, plan, secret formula or process, computer software or industrial, commercial, or scientific equipment, or for information concerning industrial, commercial, or scientific experience.
11. Nil applies if the payer is a company that is a resident in Cyprus and the beneficial owner of the income is a company (other than partnership) that is a resident in Latvia. 5% WHT rate applies for all other cases.
12. A WHT rate of 5% is applicable on royalties for the use of, or the right to use, industrial, commercial or scientific equipment and on royalties for cinematographic films including films and video tape for television. A WHT rate of 8% applies in all other cases.
13. A WHT rate of 7% is applicable on royalties and fees for technical services. A WHT rate of 5% is applicable on royalties for cinematographic films including films and video tape for television.
14. The treaty is effective as from 1 January 2024.

TABLE B - Maximum WHT on inbound payments to Cyprus

Received in Cyprus			
Payer country	Dividends %	Interest %	Royalties %
Andorra	Nil	Nil	Nil
Armenia	0/5 (1)	0/5 (2)	5
Austria	10	Nil	Nil
Bahrain	Nil	Nil	Nil
Barbados	Nil	Nil	Nil
Belarus	5/10/15 (3),(4)	5	5
Belgium	10/15 (4)	0/10 (2),(5)	Nil
Bosnia (6)	10	10	10
Bulgaria	5/10 (7)	0/7 (2),(8)	10 (8)
Canada	15	0/15 (9)	0/10 (10)
China, P.R.	10	10	10
Czech Republic	0/5 (11)	Nil	0/10 (12)
Denmark	0/15 (2),(11),(13)	Nil	Nil
Egypt	5/10 (14)	10	10
Ethiopia	5	0/5 (2)	5
Estonia	Nil	Nil	Nil
Finland	5/15 (15)	Nil	Nil
France	10/15 (16)	0/10 (17),(18)	0/5 (18)
Georgia	Nil	Nil	Nil
Germany	5/15 (19)	Nil	Nil
Greece	25	10	0/5 (18)
Guernsey	Nil	Nil	Nil
Hungary	5/15 (7)	0/10 (2)	Nil
Iceland	5/10 (16)	Nil	5
India	10	0/10 (20)	10 (21)
Iran	5/10 (7)	0/5 (2)	6
Ireland Republic	Nil	Nil	0/5 (18)
Italy	15	10	Nil
Jersey	Nil	Nil	Nil
Jordan	5/10 (16)	0/5 (2)	7
Kuwait	Nil	Nil	5
Latvia	0/10 (22)	0/10 (22)	0/5 (23)
Kazakhstan	5/15 (16)	0/10 (2)	10
Lebanon	5	0/5 (2)	Nil
Lithuania	0/5 (16)	Nil	5

TABLE B - Maximum WHT on inbound payments to Cyprus

Received in Cyprus			
Payer country	Dividends %	Interest %	Royalties %
Luxembourg	0/5 (16)	Nil	Nil
Malta	Nil	0/10 (2)	10
Mauritius	Nil	Nil	Nil
Moldova	5/10 (7)	5	5
Montenegro (6)	10	10	10
Netherlands (45)	0/15 (46)	Nil	Nil
Norway	0/15 (24)	Nil	Nil
Poland	0/5 (25)	0/5 (2)	5
Portugal	10	10	10
Qatar	Nil	Nil	5
Romania	10	0/10 (2)	0/5 (26)
Russia	5/15 (27)	0/5/15 (28)	Nil
San Marino	Nil	Nil	Nil
Saudi Arabia	0/5 (29)	Nil	5/8 (30)
Serbia (6)	10	10	10
Singapore	Nil	0/7/10 (2),(31)	10
Seychelles	Nil	Nil	5
Slovak R. (38)	0/5/10 (28)	0/10 (2)	0/5 (26)
Slovenia	5	0/5 (2)	5
South Africa	5/10 (33)	Nil	Nil
Spain	0/5 (34)	Nil	Nil
Sweden	5/15 (7)	0/10 (2)	Nil
Switzerland	0/15 (35)	Nil	Nil
Syria	0/15 (36)	0/10 (9)	10/15 (37)
Thailand	10	0/10/15 (38)	5/10/15 (39)
Ukraine	5/10 (40)	0/5 (9)	5/10 (41)
UAE	Nil	Nil	Nil
UK	0/15 (42)	Nil	Nil
USA	5/15 (43)	0/10 (44)	Nil

1. The WHT rate of 5% applies where a dividend is paid by a company in which the beneficial owner has invested less than €150.000.
2. No WHT if paid to the government/Central Bank/ Public Authority of the other state.
3. A WHT rate of 5% applies where the investment is not less than €200.000 in the share capital of the company paying the dividend. If such investment is less than €200.000, dividends are subject to 15% WHT.
4. For Belarus DTT a 10% WHT rate and for Belgium DTT the lower WHT rate applies to companies holding directly or indirectly at least 25% of the share capital of the company paying the dividend. In all other cases the higher WHT rate applies.
5. No WHT for interest on deposits with banking institutions.
6. Serbia, Slovenia Montenegro and Bosnia apply the Yugoslavia/ Cyprus treaty.
7. Lower WHT rate applies to companies holding directly at least 25% of the share capital of the company paying the dividend. In all other cases the higher WHT rate applies.
8. The treaty rates do not apply if the payment is made to a Cyprus entity by a resident of Bulgaria owning directly or indirectly at least 25% of the share capital of the Cyprus entity and the Cyprus entity pays tax in Cyprus at a tax rate lower than the usual tax rate.
9. Nil if paid to a government/Central Bank/ Public Authority or for export guarantee.
10. Nil on literary, dramatic, musical, or artistic work (but not including royalties in respect of motion picture films and works on film or videotape for use in connection with television).
11. No WHT if received by a company (excluding partnership) which holds directly at least 10% of the share capital of the paying company for an uninterrupted period of no less than one year.
12. 10% WHT applies for patent, trademark, design or model, plan, secret formula or process, computer software or industrial, commercial, or scientific equipment, or for information concerning industrial, commercial, or scientific experience.
13. No WHT if the beneficial owner is a pension fund or other similar institution providing pension schemes in which individuals may participate in order to secure retirement benefits, where such pension fund or other similar institution is established, recognized for tax purposes and controlled in accordance with the laws of that other State.
14. A WHT rate of 5% if the beneficial owner is a company (other than a partnership) which holds directly at least 20% of the capital of the company paying the dividends throughout a 365-day period that

- includes the day of the payment of the dividend. A WHT of 10% applies in all other cases
15. A WHT rate of 15% applies if received by a company controlling less than 10% of the voting power in the paying company and in all cases if received by an individual or a partnership.
 16. Nil or lower WHT rate applies to companies (excluding partnerships) holding directly at least 10% of the share capital of the company paying the dividend. In all other cases the higher WHT rate applies.
 17. Nil if paid to a government, bank, or financial institution. Nil also applies if related to a sale on credit of any industrial, commercial or scientific equipment or a sale on credit of any merchandise by one enterprise to another enterprise.
 18. A WHT rate of 5% on royalties for cinematographic films including films and video tapes for television. With respect to France DTT the 5% WHT applies on cinematographic film royalties (other than films shown on television).
 19. Lower WHT rate applies to companies holding directly at least 10% of the share capital of the company paying the dividend. In all other cases the higher WHT rate applies.
 20. Nil if paid to a government or any other institution agreed upon between the two States.
 21. A WHT rate of 10% is also applicable for payments of a technical, managerial, or consulting nature.
 22. Nil applies if the payer is a company that is a resident in Latvia and the beneficial owner of the income is a company (other than partnership) that is a resident in Cyprus. 10% rate applies for all other cases (except for certain governmental interest).
 23. Nil applies if the payer is a company that is a resident in Latvia and the beneficial owner of the income is a company (other than partnership) that is a resident in Cyprus. 5% rate applies for all other cases.
 24. Nil rate applies if the beneficial owner is a company (other than a partnership) which holds directly at least 10% of the capital of the company paying the dividends or if the beneficial owner of the shares is the Government of Cyprus or Norway. A WHT rate of 15% in all other cases.
 25. Nil rate applies if the recipient company (partnership is excluded) holds directly 10% of the share capital of the paying company for an uninterrupted period of at least 2 years. 5% in all other cases.
 26. 5% WHT rate applies for patents, trademarks, designs or models, plans, secret formulas, or processes, or any industrial, commercial, or scientific equipment, or for information concerning industrial,

commercial, or scientific experience.

27. A WHT rate of 5% applies if the beneficial owner of the company is an insurance undertaking or pension fund, or if the beneficial owner is a company whose shares are listed on a registered stock exchange provided no less than 15% of the voting shares of that company are in free float and which holds directly at least 15% of the capital of the company paying the dividends throughout a 365 day period that includes the day of payment of the dividends, or if the beneficial owner of the dividends is the government of that contracting state or a political subdivision / local authority thereof.
28. A WHT rate of 0% applies on interest if the beneficial owner is an insurance undertaking or a pension fund, or the Government of that Contracting State or a political subdivision or a local authority thereof, or the Central Bank of that Contracting State, or a bank. A WHT rate of 0% also applies on interest paid in respect of securities that are listed on a recognized stock exchange (government bonds, corporate bonds, Eurobonds). A WHT rate of 5% applies if the beneficial owner is a company whose shares are listed on a registered stock exchange provided no less than 15% of the voting shares of that company are in free float and which holds directly at least 15% of the capital of the company paying the interest throughout a 365-day period that includes the day of payment of the interest. A WHT of 15% applies in all other cases.
29. Nil rate applies to companies (excluding partnerships) holding directly or indirectly at least 25% of the share capital of the company paying the dividend. 5% WHT rate applies in all other cases.
30. 5% WHT rate applies on payments for the use of, or the right to use, industrial, commercial or scientific equipment. A WHT rate of 8% applies in all other cases.
31. A WHT rate of 7% if paid to a bank or financial institution.
32. The Cyprus - Czechoslovakia treaty applies with the Slovak Republic.
33. Lower WHT rate applies to companies holding at least 10% of the share capital of the company paying the dividend. In all other cases the higher WHT rate applies.
34. A WHT rate of 5% if received by a company holding less than 10% of the capital of the paying company and in all cases if received by an individual or a company not limited at least partly by shares.
35. Nil rate applies if the beneficial owner is a company (other than a partnership) which holds directly at least 10% of the capital of the company paying the dividends during an uninterrupted period of at least one year (the holding period condition may be satisfied post the

- date of the dividend payment). Nil rate also applies if the beneficial owner is a pension fund or other similar institution or relates to the Government of Cyprus or Switzerland. 15% in all other cases.
36. A WHT rate of 15% if received by a company holding less than 25% of the share capital of the paying company and in all cases if received by an individual or a company not limited at least partly by shares.
 37. 10% WHT rate applies on payment of royalties of any copyright of literary, artistic or scientific work including cinematograph films, and films or tapes for television or radio broadcasting. A rate of 15% applies on payments of royalties of any patent, trademark, design or model, plan, secret formula or process, or any industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience.
 38. No WHT if paid to the government/Central Bank/ Public Authority of the other state. A WHT rate of 10% on interest received by a financial institution or when it relates to sale on credit of any industrial, commercial, or scientific equipment or of merchandise. 15% in all other cases.
 39. A WHT rate of 5% applies for any copyright of literary, dramatic, musical, artistic, or scientific work. A WHT 10% rate applies for industrial, commercial, or scientific equipment. A 15% rate applies for patents, trademarks, designs or models, plans, secret formulas, or processes.
 40. A WHT rate of 5% applies if the beneficial owner company (other than a partnership) holds directly at least 20% of the capital of the paying company and has invested at least EUR100.000 in the acquisition of shares or other rights in the paying company. A WHT rate of 10% applies in all other cases.
 41. A WHT 5% WHT will be levied on payment of royalties in respect of any copyright of scientific work, any patent, trademark, secret formula, process or information concerning industrial, commercial or scientific experience. 10% WHT will be levied in all other cases.
 42. A WHT rate of 15% applies to dividends paid out of income (including gains) derived directly or indirectly from immovable property by an investment vehicle which distributes most of its income annually and whose income from such immovable property is exempt from tax, except for cases where the beneficial owner of the dividend is a pension scheme established in Cyprus. Nil rate applies in all other cases.
 43. A WHT rate of 15% if received by a company controlling less than 10% of the voting power of the paying company and in all cases if received by an individual. If a company controls at least 10% of the

- voting power of the paying company in order to benefit from the WHT rate of 5% other conditions relating to the income of the paying company need to be satisfied, otherwise a WHT rate of 15% applies.
44. Nil if paid to a government, bank, or financial institution. Also, nil if related to debt obligations guaranteed by Government, or in connection with the sale of property or the performance of services.
 45. The Cyprus-Netherlands treaty is effective as from 1 January 2024.
 46. Nil rate applies if the beneficial owner is a company which holds directly at least 5% of the capital of the company paying the dividends throughout a 365- day period that includes the day of the payment of the dividend. Nil rate also applies if the beneficial owner is a recognised pension fund which is generally exempt under corporate income tax laws. A WHT rate of 15% applies in all other cases
 47. Nil if related to a sale on credit of any industrial, commercial or scientific equipment or a sale on credit of any merchandise by one enterprise to another enterprise. Nil also applies if paid to a bank.

16 OUR KEY PEOPLE

As one of the leading firms of accountants and business consultants, OneServe Ltd's aim is simple – to use our experience and expertise to help you achieve real success, fresh thinking and a sharp eye for the bigger picture. This means that together we can really make things happen!

What sets OneServe Ltd apart? Professionalism, flexibility, but above all, passion.

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Our main areas of specialisation include business assurance, corporate finance, business tax and private client tax. We offer a dedicated service. That means you'll enjoy regular personal contact from the same people – far more reassuring than being treated like a number, and far easier to get answers fast. We place relationships very high on our agenda.

Because we're not rigid in our thinking, you might come to us with a particular issue, but in dealing with that we may well identify other areas that could make or save you money and drive you forward. Our skill lies in looking beyond the obvious and seeing things from a different angle.

With an excellent record for retaining clients for many years whatever your accounting or business advisory needs, we offer real results.

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