

# UK non-dom regime coming to an end? The Cyprus alternative

There is great uncertainty with the future of the popular UK non-domicile (“non-dom”) regime. It may very soon come to an end or at the very least undergo significant changes, with the main one being a significant reduction in the number of years that it shall be applicable. Much depends on which political party takes the UK leadership next. The lack of clarity and details in the manifestos that were published by both parties (Labour vs Conservative) only adds to the uncertainty.

Current UK non-doms as well as other foreign persons wishing to move their tax residency to another country are on the lookout for an option or alternative which can meet their personal, business and financial needs in a practical and efficient manner.

**This is where Cyprus comes in with an alternative non-dom regime.**

Cyprus is considered to be a prime choice of destination for such individuals (both EU and non-EU), either for a long-term or short-term solution. This is mainly attributed to its non-dom tax regime, which is automatically applicable to foreign persons who become tax resident in Cyprus. In each case, the non-dom

tax regime effectively applies for a maximum of 17 years.

Currently, there is a big momentum of foreigners becoming Cyprus non-dom tax residents and effecting their international as well as local business affairs from Cyprus as it offers a balanced combination of both tax and non-tax related elements.

Non-dom resident persons are specifically exempt from Cyprus taxation on dividends and

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interest, irrespective of the source country and whether the funds are remitted to Cyprus or not. Furthermore, there is a complete tax exemption on all gains from sale of shares and other qualifying titles as well as from capital gains which do not relate to immovable property situated in Cyprus.

These tax exemptions are of particular interest to high-net-worth individuals, as the vast majority of their income usually derives from dividends, interest and capital gains.

Foreign persons can become Cyprus tax residents either through the usual 183 days test or through the recently introduced 60 days rule, which is subject to certain conditions.

Notwithstanding the above, Cyprus offers an array of other attractive tax elements for both individuals and companies and also ticks all the needed boxes on the various qualitative elements that the island offers.

The quality of life and the facilities offered are just as important. The very convenient geographical position, pleasant Mediterranean climate, an abundance of blue flag beaches, low crime rate, modern infrastructure, high-end city, beachfront or mountain properties, international schools, advanced medical care facilities as well as cosmopolitan life, make quite a strong case for Cyprus as a supreme place to work, live and raise a family.

## How can Totalserve assist?

- All Immigration Department aspects
- Registration with Cyprus tax authorities
- All ongoing personal income tax obligations
- Establishing and administering a Cyprus company
- Establishing a Cyprus International Trust
- Professional director and trustee services
- Company redomiciliations
- Permanent Residency Permits and Work Permits
- Opening of bank accounts
- Accounting/ Bookkeeping
- Property and real estate matters

More information on Totalserve's wide range of services at [www.totalserve.eu](http://www.totalserve.eu). Legal services are offered through our group's law firm E&G Economides LLC [www.economideslegal.com](http://www.economideslegal.com).

For any needed clarifications or assistance please contact our senior tax manager Marios Yenagrites at [marios.yenagrites@totalserve.eu](mailto:marios.yenagrites@totalserve.eu)

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