



N. XENOFONTOS LLC

ADVOCATES | LEGAL ADVISORS



Cyprus: Europe's Sweet Spot for Relocation

www.xenofontosllc.com

Cyprus: Europe's Sweet Spot for Relocation, Careers & Family Life

Cyprus has quietly become one of Europe's most compelling places to live and work—combining a high-quality Mediterranean lifestyle with a pro-talent tax framework, EU market access, and an English-speaking professional ecosystem. If you're considering a move (personally or with your team), here's why Cyprus deserves a serious look.

Two flagship incentives that move the needle

1) "Non-dom" treatment for investment income (SDC)

- While one remains non-domiciled in Cyprus, dividends and most passive interest are not subject to Special Defence Contribution (SDC); rental income attracts SDC only on the SDC portion. Ordinary PIT rules still apply.
- Non-dom status can run for up to 17 out of 20 years of Cyprus tax residency before becoming deemed-domiciled for SDC purposes.

2) 50% income tax exemption for first employment in Cyprus

- 50% of employment income is exempt for up to 17 tax years, dramatically reducing effective PIT for senior hires and skilled professionals.
- Key conditions include: first Cyprus employment from 1 January 2022, and annual remuneration above €55,000 (which can be reached in year 1 or 2). Applicants must also not have been Cyprus tax resident for 15 consecutive years prior to starting.

Who qualifies—at a glance

- Become a Cyprus tax resident under the 183-day rule (or the flexible 60-day rule where conditions are met). Pairing residency with non-dom status is what unlocks the SDC advantages.
- For the 50% employment exemption, ensure your first-employment and remuneration criteria are structured correctly from the outset; eligibility is tested each tax year.

Beyond tax: visas & practicalities

- Third-country nationals often pair the tax regime with fast-track Permanent Residence via a qualifying investment (e.g., €300,000 in specified assets) and income criteria. EU/EEA/Swiss nationals benefit from standard EU free-movement rules (registration required).
- English is widely used in business and the courts; professional services (legal, tax, audit, corporate administration) are deep and internationally oriented.

Real-world impact (what we're seeing on the ground)

- The incentives have supported FDI inflows, tech & HQ relocations, and professional-services growth, with positive spillovers in jobs, skills and consumption.
- Housing demand in major urban and coastal centres has risen alongside relocations (both purchases and rentals); the market has been strong through 2023–2024 with signs of moderation through 2024–2025—useful context for families planning a move.

Stability & outlook

As of November 2025, no enacted changes have been announced to the core non-dom framework or the 50% first-employment exemption. Broader tax-policy discussions occur periodically, but the headline incentives remain in place.

The bottom line

Cyprus offers a rare blend: EU stability, a predictable and competitive tax framework for internationally mobile people, and an easy, cosmopolitan lifestyle by the sea. For founders, executives, specialists—and their families—it's a jurisdiction that makes both financial and human sense.

If you'd like a personalised relocation/tax mapping (individual or team), get in touch to explore timelines, eligibility, and optimal structuring tailored to your circumstances.

Connect with us

M: +357 99 33 25 32

E: info@xenofontosllc.com
nicky@xenofontosllc.com

W: www.xenofontosllc.com

Disclaimer

The information provided in this article is for general information purposes only. You should not rely on this material or information as a basis of making any business, legal or other decision. It is advisable to seek proper legal and or tax advice prior to entering into any transaction or relationship.

© N. Xenofontos LLC 2025