



**CYPRUS THE IDEAL PLACE TO LIVE.... "THE RIGHT TIME"
TO PURCHASE YOUR HOME IN CYPRUS!!!**

Cyprus offers a strategic location, favourable tax environment, educated work force, modern banking system and legal infrastructure which make the country the perfect business bridge for the European Union and the Middle East.

In an effort to improve the tax system in Cyprus and make it more attractive to foreign investors, the Government of Cyprus enacted into Law on 16 July 2015 a package of measures that will help the property market to revive and the Cyprus tax system to become more fair, simple and competitive.

Capital Gains from the sale of property acquired between 16 July 2015 (date published of the Law) and 31 December 2016

Any gains from the subsequent disposal of immovable property acquired between 16 July 2015 and 31 December 2016 will be **fully exempt from capital gains tax without any restriction as to the time- frame of sale.**

Before adoption of the new Legislation any gains from the disposal of immovable property were subject to 20% Capital Gains Tax.

Changes to Land Registry fees

For transfers of immovable property between 16 July 2015 (date published of the Law) and 31 December 2016 the land transfer fees are reduced by 50%.

However, if VAT is paid on the property, **no transfer fees are due.**

Imposition of a reduced VAT rate of 5% on the acquisition of primary residence

The reduced rate of 5% applies to contracts that have been concluded from 1 October 2011 onwards provided they relate to the acquisition and/ or construction of residences to be used as the primary and permanent place of residence for the next 10 years.

Qualifying property is the property for which the total covered area does not exceed 275^{m²}. The reduced rate of 5% is applied only on the first 200^{m²}.

Eligible are persons who are citizens of the Republic of Cyprus or of any other EU Member state **including residents of non EU member states** , provided that the property will be used as their first/principal residence in the Republic.

The standard VAT rate in Cyprus for acquisition of properties not eligible on the above scheme is 19%.