

Cyprus limited liability company

Cyprus Companies – Efficient and EU-Aligned

Cyprus offers private clients and their advisers a stable EU jurisdiction with a common law framework, attractive tax incentives, and efficient incorporation. Ideal for international structuring, IP management, and relocation.

Fast and Flexible Company Setup

Cyprus companies are usually incorporated as private limited liability companies under a legal system based on English common law. The process is efficient and typically completed within weeks. As an EU member, Cyprus offers full market access and benefits from 65+ double tax treaties.

There's no withholding tax on dividends, interest, or royalties paid to non-residents (subject to conditions).

Low Corporate Tax and Key Incentives

As of 1 January 2026, Cyprus has a flat 15 % corporate tax rate. This move aligns Cyprus with international standards, including the OECD 15 % global minimum tax.

Other key features include:

- Losses carried forward for 7 years
- Group tax relief for 75%+ owned Cyprus entities
- No capital gains tax on securities (shares, bonds, options, etc.)
- No corporate or income tax on profits from sale of securities

Clarity on digital asset taxation

As of 1 January 2026, profits from the sale of "crypto-assets" (sale, exchange, donation, or use as payment) are taxed at a flat 8 % rate (mining acquisitions are exempt from this regime).

Losses from crypto sales can only offset same-year profits, with no carry-forward.

Unchanged business incentives

Notional Interest Deduction (NID):

Reduces taxable income by deducting a notional interest on new equity. The deduction is capped at 80 % of taxable profits and can lower the effective tax rate to 3 % (previously 2.5 %).

Intellectual Property Regime (IP Box):

Income from qualifying IP (e.g. patents, software) enjoys an 80 % tax exemption—leading to an effective tax rate as low as 3 % (previously 2.5 %).

R&D Incentive:

120 % tax deduction on eligible R&D expenses. Fully aligned with OECD BEPS and EU State Aid rules.

Non-domiciled tax residency: ideal for high net worth individuals

Cyprus is ideal for high-net-worth individuals, digital nomads, and professionals relocating.

Key benefits include:

- 0 % tax on dividends and interest
- income tax on worldwide earnings – first €22,000 tax free
- 50 % income tax exemption for earnings above €55,000
- No wealth, inheritance, or gift tax
- GHS health contribution: 2.65 %, capped at €4,770/year

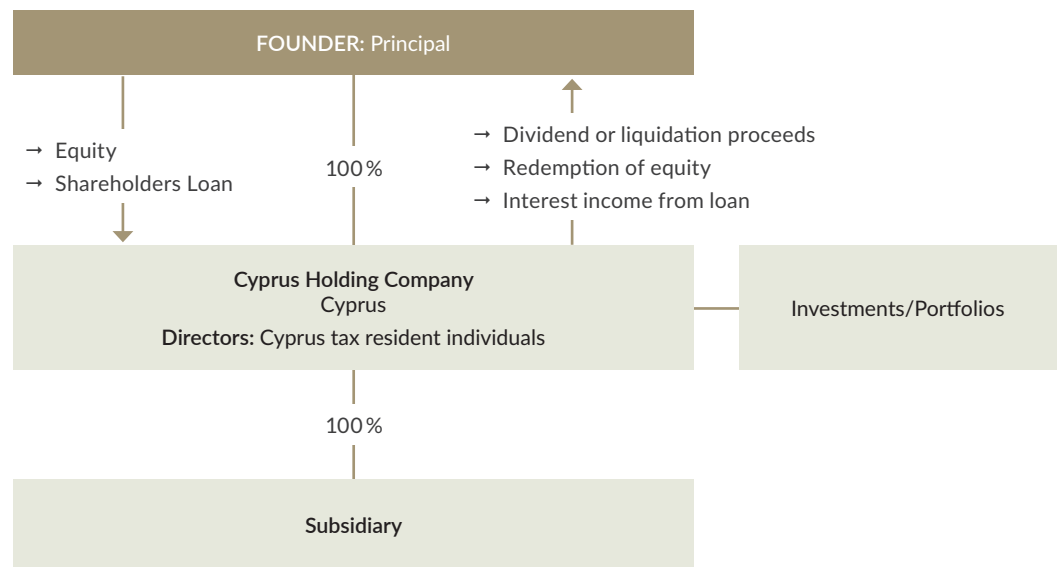
KENDRIS in Cyprus – Full Local Support

Operating from our licensed office in Larnaca, KENDRIS offers full-service support for Cyprus-based structures. Services include:

- Company formation and structuring
- Legal, secretarial, and governance services
- Corporate administration and directorships
- Accounting, digital financial reporting, and VAT compliance
- HR and payroll
- Managed office solutions
- Digital CFO services – strategic financial oversight, budgeting, and reporting

We combine on-the-ground presence with cross-border expertise to deliver efficient, compliant, and tailored solutions for private clients.

Cyprus Holding Company



Cyprus grants full exemptions from corporate tax on:

- profit on sale of portfolio assets (e.g. shares, bonds, etc.)
- profit on sale of subsidiary shares (e.g. participation)
- profit on revaluations of assets
- dividends from subsidiaries and/ or shares held in a portfolio, generally exempt

Return of Shareholder Investment

- Equity redemption in a Cyprus company incurs no withholding tax in Cyprus.
- Dividends from a Cyprus company do not attract withholding tax if not paid to low tax jurisdictions.

Cyprus Notional Interest Deduction

- Investing in new equity enables the company to claim NID, reducing taxable income by 80% and lowering the effective corporate tax rate to 3%.
- Examples – investment income subject to tax
- Interest: 15% – dropping to 3% if NID applies.
- Royalties: 15%, dropping to 3% if IP Box applies or, as low as 0.75% if IP Box and NID are stacked.

Contact Persons



Sara Gunnervik
Partner
LL.M. Law
+357 24 63 89 21
s.gunnervik@kendris.com



Marios Souroullas
Director
FCA, BFP, BA
+357 24 63 89 26
m.souroullas@kendris.com

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