PRODOMUS

INTERNATIONAL

A GUIDE FOR EUROPEAN UNION BUYERS

Cyprus Investor's Guide

Property acquisition, taxation, company formation, management and letting, relocation, tax residence and permanent residence — for EU individuals and companies.

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AT A GLANCE

EU citizens buy like Cypriot citizens

No special approval and no limit on the number of properties. This guide covers the purchase and its costs, taxation, company formation, management and letting, relocation and residence — for individuals and companies.

€5,000 + VAT
Reservation deposit that takes the unit off the market

€0
Stamp duty for contracts signed from 2026

0
Approvals required for EU citizens and companies

01 · ELIGIBILITY

Who can buy

The acquisition permit under Cap. 109 applies only to non-EU buyers.

BUYER	APPROVAL REQUIRED	PROPERTY LIMIT
EU citizen buying personally	No	No limit
Company registered in an EU Member State	No	No limit
Cyprus company with EU shareholders	Usually not; lawyer to confirm based on shareholding	No limit
Non-EU individual (for comparison)	Yes — Cap. 109 permit	Usually one home

Citizenship, not residence, is decisive: an EU citizen may buy wherever they live.

02 · THE PROCESS

Six steps from reservation to title deed

1

Choose the property and sign the Reservation Agreement

Once the property is selected, the agreement temporarily removes it from the market. A reservation deposit of €5,000 plus VAT is paid.

2

Legal representation

Our trusted lawyers conduct full due diligence and register the contract. Legal representation through our selected partners is provided at no cost. Buyers may appoint their own lawyer at their own expense.

3

Sign the Contract of Sale (CoS)

The lawyer reviews and finalises the contract. The first substantial payment is usually 30–35% of the price plus VAT, less the reservation deposit already paid.

4

Deposit with the Land Registry

THE KEY PROTECTION STEP

> Immediately after signing and the first payment, the contract is deposited with the Department of Lands and Surveys. Under Specific Performance Law 81(I)/2011, it prevents a second sale and later mortgages from prejudicing the buyer. The statutory deadline is six months; we arrange the deposit immediately.

5

Construction-stage payments

The balance is paid in instalments according to the contract and construction milestones.

6

Handover and title deed

On completion, the buyer receives the keys. The deed transfers after separate titles are issued for the building. Until then, the deposited contract protects the buyer's rights.

03 · CORPORATE BUYERS

What changes when a company buys

The process is the same; the company must establish who owns it and who can sign.

- Authorised signatory: the director or a person empowered by a board resolution.
- Know Your Customer (KYC): banks and lawyers identify the ultimate beneficial owners — the individuals who own or control the company.
- Source of funds: payments are made from the company account with documents evidencing their origin.
- Shareholding: for a Cyprus company with EU shareholders, the lawyer confirms whether approval is needed.
- Taxation: a corporate purchase follows different tax rules; see section 07.

04 · DOCUMENTS

Documents typically required

The lawyer confirms the final list; these are the documents usually requested.

INDIVIDUAL	COMPANY
Valid passport or national identity card	Certificate of incorporation
Proof of address — recent bill or statement	Certificates of registered office, directors and shareholders
Tax identification number from home country	Memorandum and Articles of Association
Evidence of source of funds — statements, asset sale, etc.	Board resolution approving purchase and signatory
Notarised power of attorney if another person signs	ID and proof of address for directors and beneficial owners
	Evidence of company source of funds

Documents issued outside Cyprus may need an apostille and an English or Greek translation.

05 · PURCHASE COSTS

Purchase costs

On new property, VAT is the principal cost. Stamp duty has been abolished from 2026, and transfer fees do not apply where VAT was paid.

COST	AMOUNT	NOTES
VAT	5% or 19%	5% on a qualifying principal home: first 130 sq m, up to €350,000. Above 190 sq m or €475,000 overall, 19% applies. Investment property: 19% VAT.
Stamp duty	€0	Abolished for contracts signed from 1 January 2026 (Law 239(I)/2025).
Land Registry transfer fees	€0 on new property with VAT	Only without VAT (e.g. resales): 1.5% / 2.5% / 4% by value band.
Legal fee	€0 through selected partners	No cost through our selected lawyers. An independently appointed lawyer is paid by the buyer.

06 · LEGAL PROTECTION

How the law protects the buyer

Once the contract is deposited with the Land Registry, the buyer is protected — even before receiving the title deed.

◆ No second sale

The seller cannot sell the property to another buyer.

◆ Later mortgages do not prevail

A mortgage or charge registered afterwards cannot prejudice the buyer.

◆ Transfer can be enforced

If the seller defaults, the buyer may seek a court order transferring the property.

◆ Only the buyer can withdraw it

The deposited contract cannot be removed without the buyer's consent.

Cyprus law is rooted in English common law — a familiar framework for investors.

07 · TAXATION

Tax treatment for individuals and companies

Cyprus has no annual state property tax or inheritance tax. The main tax considerations arise from rent and a future resale.

STAGE	INDIVIDUAL	COMPANY
Purchase	5% VAT for a qualifying principal home used as such for 10 years; 19% on investments	19% VAT
Rental income	Progressive income tax; first €22,000/year exempt. Automatic 20% rental deduction. SDC on rent abolished in 2026	15% corporation tax on rental profit after allowable expenses
GeSY health contribution	2.65% of rent, including non-residents	0% on company profit
Dividends	Not applicable when rent is received personally	5% for Cyprus-domiciled residents; 0% for non-doms and non-residents (who may owe tax at home); 2.65% GeSY for residents
Resale	20% on gain. Lifetime €30,000 exemption; €150,000 for a principal home occupied for five years	15% if property trading is the business; otherwise 20% on gain without personal exemptions
Annual holding	No state property tax since 2017; modest local charges only	No state property tax since 2017; modest local charges only
Inheritance and gifts	No tax	No tax

A rapid resale is generally taxed at 20% on the gain. Frequent transactions may be treated as trading income: 15% for companies and progressive income tax for individuals. Cyprus income may also be declared in the country of residence; double-tax treaties, including with Romania, prevent the same tax being paid twice.

RESALE EXAMPLE

Bought for €200,000; sold for €260,000 → gain €60,000

Individual (investment)	€60,000 − €30,000 exemption = €30,000	€6,000
Individual (principal home, 5+ years)	Fully exempt (under €150,000)	€0
Company (investment and letting)	€60,000 × 20%	€12,000
Property-trading company	€60,000 × 15%	€9,000

Costs such as legal fees, agency commission and improvements reduce the gain; the acquisition cost is inflation-adjusted, so the actual tax is often lower.

07 · TAX RESIDENCE

Advantages of Cyprus tax residence

The 2026 reform raised the tax-free threshold and reduced dividend taxation. For those relocating to Cyprus, non-dom status is a major advantage.

€22,000
Annual tax-free income for individuals

0%
Tax on dividends and interest for non-doms for 17 years

60 days
Minimum annual presence under the tax residence rule, subject to conditions

ANNUAL TAXABLE INCOME	2026 INCOME-TAX RATE
Up to €22,000	0%
€22,001–€32,000	20%
€32,001–€42,000	25%
€42,001–€72,000	30%
Over €72,000	35%

The 60-day rule

Tax residence may be established with 60 days a year in Cyprus if you maintain a home and a business, employment or company directorship here, subject to all statutory conditions.

Non-dom status

Residents who are not Cyprus-domiciled pay no tax on dividends and interest for 17 years. Two further five-year extensions are available at €250,000 per period.

Family deductions

For each parent: €1,000 for the first child, €1,250 for the second and €1,500 from the third child.

Housing deductions

Up to €2,000 for principal-home interest or rent and up to €1,000 for energy improvements.

GeSY (2.65%) also applies to dividends, interest and rent, up to income of €180,000 (about €4,770 a year). Foreign pensions: 5% above €5,000 annually or standard bands, by choice. Each case should be reviewed with a tax adviser.

08 · CYPRUS COMPANY

Form a company in 1–2 weeks

A private limited company (Ltd) may be incorporated in 5–10 working days using the expedited procedure. No minimum share capital is required.

1. **Name approval**

   The Registrar checks and reserves the proposed company name.

2. **Corporate documents**

   Prepare the Memorandum and Articles, appoint a director and secretary, and establish a Cyprus registered office.

3. **Registration with the Registrar**

   The company receives its incorporation certificate and certificates for directors, secretary and registered office.

4. **Tax registration**

   Obtain the company tax number and register for VAT if applicable.

5. **Bank account**

   Opened in parallel, following shareholder KYC checks.

COST	INDICATIVE AMOUNT	NOTES
Government incorporation fees	~€295 / ~€515	Standard / expedited process
Professional fees	€950–€2,500	Typical one-off market range
Annual costs — dormant company	€1,250–€2,150	Accounting, audit, filings and office
Annual costs — active VAT company	€3,500–€5,500	Depends on transaction volume

The €350 annual company levy ended in 2024; stamp duty ended in 2026.

Advantages of a Cyprus company

- 15% corporation tax, one of the EU's most competitive rates.
- Dividends at 5%, or 0% for non-doms and non-resident shareholders.
- Losses can be carried forward for seven years against future profits.
- Suited to portfolios or substantial rent; personal purchase is often simpler for one home and preserves resale exemptions.

09 · MANAGEMENT & LETTING

We manage the property. You receive the income.

Prodomus International coordinates short-term holiday letting or long-term tenancy management with local partners. Owners decide how involved they wish to be.

Sit & Relax

Full management. The owner entrusts the letting to the agency and receives net income. Ideal for investors living outside Cyprus.

Hands On

A more active role. The owner manages much of the operation personally. Returns may be higher, but it takes time and local presence.

What our team handles

Letting

Marketing, reservations, calendar, check-in and key handover.

Administration

Bills, property accounts and regular contact with the owner.

Cleaning and preparation

Cleaning, linen and supplies between stays or tenants.

Maintenance

Pool, garden and repairs, arranged at competitive rates.

What comes out of gross income

• Management commission — approximately 10–14% of gross income in the examples reviewed.

— Operating expenses: cleaning and linen, consumables, utilities, public-liability insurance and local charges.

— Complex maintenance fee, set by the management committee.

— 9% VAT on short-term accommodation.

09 · MANAGEMENT & LETTING

Illustrative yields after operating costs

Short-term lets in a resort-style complex with shared amenities. Yields typically improve after the first two seasons as the property builds a guest base.

APARTMENT	GROSS INCOME / YEAR	SIT & RELAX	HANDS ON
1 bedroom €190,000 · up to 4 guests	€21,517 → €27,456	4.07% → 5.73%	7.19% → 9.44%
2 bedrooms €260,000 · up to 6 guests	€34,349 → €43,844	5.83% → 8.21%	9.42% → 12.41%
3 bedrooms €300,000 · up to 8 guests	€40,521 → €51,703	5.54% → 7.57%	8.91% → 11.62%

First figure: first two seasons; second: from season three. Net annual yield relative to sale price, before rental tax and GeSY. Developer-partner estimates, not guarantees; outcomes depend on location, season and management.

Annual ownership costs

Running costs in Cyprus are modest: about €700–€1,400 annually, excluding electricity.

COST	INDICATIVE AMOUNT	NOTES
Water	€240–€360 / year	Couple ~€270; family ~€360
Municipal fees (local levy + refuse)	€180–€200 / year	No state property tax
Home insurance	€200–€600 / year	Premium deductible from 2026, up to €500/year
Sewerage	€80–€250 / year	Based on assessed value and usage
Total excluding electricity	~€700–€1,400 / year	
Electricity	~€85–€160 / month	Solar panels can substantially lower the bill

10 · RELOCATION

Moving to Cyprus as an EU citizen

EU citizens need no visa or work permit. For stays over three months, a registration certificate is required within the first four months.

1. **Home address**

   Your purchased property or tenancy agreement is needed for every registration.

2. **Registration Certificate (MEU1, “yellow slip”)**

   Apply at the Civil Registry and Migration Department, including its Famagusta/Paralimni office, within four months of arrival. Fee: €20 per person.

3. **Tax code and social insurance**

   Obtain a Tax Identification Code and register for social insurance if working in Cyprus.

4. **Healthcare, bank and schools**

   Register for GeSY, open a bank account, connect utilities, register the car and enrol children in school.

5. **Permanent residence**

   After five years of continuous legal residence, EU citizens gain a right of permanent residence.

STATUS	DOCUMENTS FOR REGISTRATION
All applicants	MEU1 form, passport or ID, two photographs, tenancy agreement or deed
Employee	Employment contract, employer confirmation, social-insurance registration
Self-employed / entrepreneur	Business or activity registration, tax code, social insurance
Self-sufficient (retirees, investors)	Evidence of adequate resources and medical insurance

Family members register too; non-EU family members receive a separate five-year residence card.

11 · PERMANENT RESIDENCE

Fast-Track Permanent Residence

Cyprus's Regulation 6(2) programme is designed for non-EU investors seeking long-term security and a Mediterranean lifestyle. EU citizens already have residence rights, but the route may benefit non-EU family members.

€300,000 + VAT
Minimum investment in a new residential property

2–4 months
Indicative fast-track decision time

Lifetime
Permanent status for investor and family

REQUIREMENT	DETAILS
Investment	At least €300,000 plus VAT in a new residential property
Source of funds	Full amount transferred to Cyprus from abroad from the main applicant's account
Annual income	Secure foreign income of at least €50,000, plus €15,000 for spouse and €10,000 per dependent child
Eligible family	Investor, spouse and dependent children up to age 25 — lifetime permanent residence

Application stages

1. **Submit the application**
   Once the Contract of Sale is signed and €300,000 plus VAT has been paid.
2. **Documents**
   Our legal partner helps assemble the criminal-record certificate, Cyprus-valid medical insurance and foreign-income evidence.
3. **Approval and biometrics**
   The decision is usually issued in 2–4 months. Applicants then have up to one year to come to Cyprus for biometrics and collection of their cards.

MAINTAINING THE STATUS

One visit to Cyprus every two years. Continuous physical presence is not required.

12 · OUR SUPPORT

More than the transaction

We select opportunities, coordinate acquisition and connect clients with developers, lawyers and local specialists — one point of contact from the property search through to rental income.

24
years of construction experience

1,000+
units delivered over the team's career

120+
units delivered by the developer partner

16
projects currently under construction

SERVICE	DELIVERED BY	COST
Legal representation for purchase	Selected legal partners	No cost; own lawyer at buyer's expense
Home customisation (layout, finishes)	Developer design team	Quote on request
Management and letting	Local management partner	Commission on gross income (section 09)
Maintenance and refurbishment	Local maintenance partner	Competitive rates; quote on request
Company formation	Selected legal advisers	Government fees ~€295 plus professional fee
Relocation and registration	Selected legal advisers	Quote on request
Permanent residence application	Selected legal partner	Quote on request
After-sales assistance	Dedicated After-Sales team	No cost

CREATING PLACES THAT INSPIRE

Direct purchase from the developer, legal advisers, after-sales and management — all coordinated under one roof.

TIMINGS

Two key milestones

RESERVATION → LAND REGISTRY

Reservation holds the unit. We deposit the signed contract with the Land Registry immediately; the legal deadline is six months.

The time to handover depends on the selected project's stage. Our team provides the exact programme for each development.

CONTACT

With you at every step

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SOURCES

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This guide is for general information and does not constitute legal or tax advice. Confirm the particulars of each transaction with a qualified lawyer. Information valid as at 8 October 2026.