



## **Cyprus Capital Gains Tax**

### ***Cyprus Capital Gains Tax – on Profit from the sale of a property:***

In Cyprus, capital gains tax rates are set at 20% of the Profit realised from the sale of immovable property. This is however mitigated by certain allowances based on the number of years a property in Cyprus has been owned and any improvements have been made to it during this time.

### ***Capital gains Tax In Cyprus***

#### ***Definitions.***

##### ***Property Means:***

A: Immovable property situated in the European Republic of Cyprus

B: Shares of companies the property of which consists of immovable property situated in the European Republic of Cyprus.

##### ***Person Means:***

An individual or Company

##### ***Disposal Means:***

The sale of a Property

##### ***Capital Gain Means:***

The profit from the disposal of a property by any person and which is not subject to tax under Income Tax Laws.

##### ***Profit Means:***

The selling price less the cost of acquisition, the transfer fees, any interest paid for the acquisition of the property and the indexation allowance.

##### ***Shares:***

There is a specific and complicated way to calculate the profit upon the disposal of shares

### ***Individual Means:***

A person subject to Capital Gains Tax at 20% on any realised capital gain. An individual is entitled to an exemption of €17,086.01 for life. If the property disposed of is the private residence of the individual for at least the last five years before the disposal, then the exemption extends to €85,430.07.

### ***A Company Means:***

A company is subject to Capital Gains Tax at a rate of 20% of any realised Capital gain. No exemption is allowed for companies.

### ***Other Matters:***

Residency is out of the scope of this Law and Capital loss from the disposal of a property is carried forward to the next disposal. Likewise Capital Gains Tax in respect of immovable properties outside the European Republic of Cyprus are not within the scope of this law. Gains accruing from the disposal of shares listed in the recognised Stock Exchange are not subject to Capital Gains.

### ***Disposal does not include:***

A: Transfer due to Death

B: Gift to or between family members up to the third degree of relationship.

C: Exchange of property of equal values.

D: Gift to a family company of which the shareholders do not charge for the five years following the gift.

E: Transfer of property under Company reorganisations

***Cyprus Capital Gains Tax declared must be submitted to the Inland Revenue within one month from the date of disposal. All Capital Gains Tax is payable upon the submission of the declaration to the Inland Revenue but in any case before the transfer of the property. For more information on the buying and selling of properties for sale in Cyprus take a look at our alternative PDF Cyprus Property Guide.***

**[www.kaimarconsulting.com](http://www.kaimarconsulting.com) with [Property for Sale in Cyprus](#)**

Official Cyprus Government Capital Gains Tax information can also be found on the government website <http://www.mof.gov.cy> in English and Greek

Kaimar Consulting has [Cyprus Property](#) re-sales and new property for sale with our head office in Limassol and alternative offices Island Wide.



Reg : T618016.00



Cyprus Chamber of Commerce