

# Cyprus Property



***Cyprus is an excellent place to live and work. It combines the benefits of a resort with excellent business premises base.***

## Why Cyprus...

For many years foreign people considered Cyprus as an ideal and attractive place to acquire immovable property. Probably this is because Cyprus is a small, beautiful, quiet island in the Mediterranean Sea, with an excellent climate and weather. The location of Cyprus which is at the meeting point of Europe, Asia and Africa gives you the opportunity to travel to another country from the above continentals very easily, cheaply with minimal time.

signing by the parties. By specific performance we mean that this gives the purchasers the security of a legal charge over of the property, which will remain under their possession until the time of transfer of the title deeds to them. In case the purchasers do not submit the agreement at the land office the purchasers will not be able to specifically enforce the transfer of the property to them through the Court, but will only have a claim in damages for breach of contract, in the event that the Vendor fails to transfer title to them.

## Procedure

After locating the right property (up to 2700m<sup>2</sup> for personal use) or for business purposes (Industrial or Tourist investments) manufacturing only if it is beneficial to the development of the Cyprus economy the buyer needs to ascertain whether there are any encumbrances over it and the license for building is guaranteed by the authority.

The purchasers need to have a written contract of sale, which will be stamped (stamp duty) and further submitted at the Land Registry Office for specific performance purposes within two months from the date of

European non residents of Cyprus and non-European citizens need to apply to the Ministry of Interior for obtaining the required permission by the government to acquire immovable property in Cyprus.

As soon as the above permission has been granted and a separate title deed has been issued by the Land Registry Office (in cases only where there is no separated title deeds), the purchasers will then be in a position to accept transfer of the title deed into their names. The presence of the parties is required at the Land Office except where proxy is provided to a third person.

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Any company that is registered in any member country of the European Union, and has its registered address and/or activities in Cyprus will be allowed to purchase immovable property in Cyprus without having to apply for the above said permissions/permits.

## Taxation

### Stamp Duty

The contract of sale must be stamped and the stamp duty is 0.15% for the first €170.860 and 0.20% above €170.861. The stamp duty should be paid within 30 days of signing of the contract.

### Transfer Fees

On transfer of the title deed into the name of the purchaser, the purchaser must pay transfer fees to the Land Registry Office.

Transfer fee rates are as follows:

FROM €	Up to €	Transfer Rate %	Transfer Fee €
0	85430	3	2563
85431	170860	5	6835
170861	Above	8	

However, if the purchase is made in joint names, the effective value for calculation is halved.

### Capital Gains Tax

Capital gains tax is imposed on the gains accruing to any person from a disposal of

immovable property. Capital gains tax is imposed at the rate of 20% on the gain.

The following allowances are given only once to individuals:

- ◆ €17.086 personal allowance (can be used only once)
- ◆ €25,629 of agricultural land by a farmer (subject to certain conditions)
- ◆ €85.430 from the disposal of a dwelling house, provided that the house was the main residence of the taxpayer for a total period of not less than five years prior to the disposal.

### Bank loans to non-residents for purchase of property

Banks in Cyprus are in a position to examine requests for loan facilities to non-residents for the purchase of immovable property in Cyprus.

### Immovable Property Tax

The immovable property tax is based upon the value of the property on the 1st of January 1980. If the value of the property at that time exceeds €170.860 then the registered owner of the property must pay immovable property tax according to the following scales:

FROM €	Up to €	Tax Rate %	Tax €
0	170860	0	0
170861	427150	0,25	641
427151	854300	0,35	2136
854301	Above	0,40	

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