

Kaimar Consulting Ltd



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Cyprus Property Guide

Property in Cyprus Buyers Guide and information about moving to Cyprus:

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Legal Information:

1. Pay the reservation fee (usually between € 1000 and € 3000 depending on the individual vendor and property). This is forwarded on to the Developer or Vendor and reserves the property for you. For an agreed period of time the Developer or Vendor can not sell the property elsewhere, once your reservation fee has been accepted.
2. Your Lawyer will carry out the necessary Title, planning and other searches on your behalf.
3. There is a common misunderstanding that people should not use a Lawyer recommended by the Estate Agent or Property Consultant, this is not correct. Although we would not advise any of our clients to use a lawyer recommended by a Developer as usually this will be a Lawyer who has been working closely with the Developer. Your Estate Agent or Property Consultant however can recommend an independent Lawyer in order to gain a successful sale for all concerned.
4. The contract of sale will be negotiated by your Lawyer with the Developer or Vendor (s) direct or lawyer(s). The contract will do everything possible to protect your interests. Don't forget, the Lawyer works for you and not for the Vendor / Developer.
5. The contract can be sent by courier or other means to you in your Home Country if necessary. You will then sign and return it to your Lawyer. On arrival back in Cyprus, the Developer or Vendor (s) will then sign the contract and the first payment due under the terms of the contract will be made. This is contractually binding and you are bound to purchase as per your contract.
6. As soon as the first payment has been made, the contract will be stamped at the land registry Dept. The stamp duty is € 2.56 per thousand for purchase prices up to € 100.000. - and € 3.42 per thousand for the part of the purchase price over € 100.000.-. The stamp duty will not be included in your legal fees unless you have previously agreed to this with your Lawyer.
7. After stamping, a copy of the sale agreement will then be deposited with the Land Registry. For the buyers protection the Land Registry in Cyprus provides a simple and effective instrument called "specific performance". As soon as the Contract of Sale is deposited at the District Lands Registry Office the buyers ownership rights are protected until the Title Deeds are issued or transferred into the buyers' name. The Contract of Sale is in the hands of the Land Registry and cannot be withdrawn by anyone, and therefore the property is legally registered by law as belonging to the buyer, it cannot be rented, sold, mortgaged or transferred without the permission of the purchaser(s) and only the purchaser can change the property status." Specific Performance" is particularly useful as many purchasers are more than happy to have the security it brings and delay the issuing of Title Deeds for as long as possible to avoid paying the Transfer Fees!

8. On completion, the Land Registry will begin to deal with the issuing of Title Deeds in the new owners name(s). There will be a delay at this point which can not be avoided, as it is caused by the administration time taken by the Lands Registry and this can be many months or even years.
9. In the meantime, the property can be sold on by the new owners. In case of a new Development a financial penalty can and most likely will be imposed by the Developer. A cancellation fee

If the property still belongs to the buyer by the time the new Title Deeds are ready, the buyer can take Title but must pay the Real Estate Transfer tax-fee in order to transfer freehold ownership into his name. The tax payment is payable to the Government at the time of the transfer of the property and the issue of Title Deeds.

Transfer fees:

Up to €85,430.07 (the old CYP 50,000) = 3%

Over €85,430.07 up to €170,860.14 (the old CYP 100,000) = 5%

Over €170,860.14 = 8%

For example, the transfer fee of a property valued at €222,118.18 (old CY£130,000), provided such property is in one name the transfer fee will be:-

3% for the first €85,430.07 (CY£50,000)	=	€2,562.90 (CY£1,500)
5% for €85,430.07 - €170,860.14 (CY£50,000-CY£100,000)	=	€4,271.50 (CY£2,500)
8% for €51,258.04 (CY£30,000)	=	€4,100.64 (CY£2,400)
Total Transfer Fee		€10,935.04 (CY£6,400)

Should the property be in joint names the transfer fee will be:-

3% for the first €85,430.07 X 2 = €170,860.14 (CY€50,000 x2 = CY€100,000)= €5,125.80 (CY€3,000)

5% for €51,258.04 (CY€30,000) = €2,562.90 (CY€1,500)

Total Transfer Fee €7,688.70 (CY€4,500)

10. Annual immovable property ownership tax is imposed by the Government on all properties. This system is under review at present and it is impossible to say what taxes will be payable. As soon as the law is settled, information will be provided.
11. The basic utilities, electricity, water and telephone are payable individually in accordance with the consumption and based on a meter reading. Buyers of houses and apartments with shared amenities also have to pay a proportion of the common expenses e.g. for the lightening and cleaning of the communal facilities and the maintenance of the lift and of course the upkeep of the gardens and swimming pools.
12. Local Authority Taxes and Rates are payable by each registered owner of a property. This tax is for refuse collection, street lighting and sewerage etc.
13. Property sales in Cyprus are subject to Capital Gains Tax at a rate of 20% on the gain, however the first € 17.086.01 is exempt. There is also an indexation allowance. On top of this allowance, the seller is entitled to a further allowance regarding the transfer fees paid, inflation rate per year and the cost of any additions made to the property provided invoices and receipts can be produced. Gains from the disposal of a dwelling house are exempt up to €85.430.07 in total if the owner resides in it continuously for at least 5 years prior to disposal.

Finding the right property in Cyprus in the right area:

Nowadays many “Property Seekers” are coming to Cyprus with the intention of buying a holiday home, a permanent residence or an investment property. But are not sure in which area to purchase their new property in Cyprus or even the type of property they want to purchase or indeed can afford to buy.

We certainly recommend to all of our clients that “Location, Location, Location” Is the most important criteria.

We have a huge selection of properties and property types all over the southern unoccupied part of Cyprus that we can show potential buyers. Our main aim is to find a suitable property for each individual purchaser visiting Cyprus. If you are looking for an investment opportunity off plan or New Build, Village residence or plot of land, we can help. <http://www.kaimarconsulting.com> Of course there are other Routes. We can advise potential buyers to consider. Our speciality is Village Houses in Cyprus especially in the Limassol district and western Larnaca district. Of varying quality and quantity, some need major renovation; some are finished to the highest standards. One of the other options of course would be to purchase a plot of land and build your own individual property; this can either be undertaken by you or one of numerous reputable contractors on the Island.

The building laws here in Cyprus are more or less the same as in the U.K. We recommend taking some time out with us, let us drive you around Cyprus to find your Property in Cyprus.

Buying property in the North of Cyprus is illegal.

If you are planning to buy property in the north of Cyprus, then please think again.

- The European Court of Human Rights has ruled that any property transactions undertaken by the authorities in the north are considered illegal under international law.
- 92 percent of the legitimate title-deed holders of the north continue to be the Greek Cypriot refugees who were forcibly removed in 1974. Accordingly, it is highly likely that the property you will be asked to buy is constructed on Greek Cypriot land.

- Under any potential settlement the right to property will be retained by the legitimate owners (Greek Cypriot refugees) as confirmed by the United Nations and as such any illegal purchases will be nullified.

"...you should seek legal advice and be certain that the person from whom you are purchasing the property is the legal owner with pre-1974 provenance. This is necessary to prevent the possibility of losing your property in the event of a solution to the Cyprus property question."

British High Commission, Cyprus

We urge you not to engage in any property transaction which will be illegal and will result in you losing your money.

<http://www.lobbyforcyprus.org> for more information.

Building and Planning Regulations :

All land in Cyprus is zoned, and planning permission will only be granted if your proposed building is suitable for the particular zone. Examples of the zones are Residential, Agricultural, Industrial, Retail and Tourist (e.g. hotels).

The Two zones which are applicable to 'Design and Build' projects are Residential and Agricultural, Firstly, we need to explain what is known as the **Building Density Factor**, which is applied to all plots, whichever zone category they fall into. The Building Density Factor is the percentage of the land area which can be built on. Generally speaking, Agricultural plots will have a much lower factor than Residential ones, mainly because they are in rural and/or environmentally sensitive areas, and this is the government's way of preserving 'green belt' areas. The density factor is explained in greater detail below.

Residential plots usually have a density factor of 90%, and are usually only given this classification if they are in an existing built-up area, or on the edge of an existing settlement where reasonable expansion has been permitted. The actual area of the building which is allowed on a plot is what is deemed to be the 'covered area': this does not just include the interior living space, but also 'covered verandas', i.e. where the floor of an upper storey forms a 'roof' over a ground floor veranda to provide shade. In such a case, the whole area of the veranda, even though it is technically outside the house, is deemed to be part of the building allowance. Garages are also included in the 'covered area', but not paths and swimming pools, nor 'uncovered verandas', which just project from the house with no 'roof' over them.

In addition to the density factor, there are two significant other rules:

Firstly, with regard to the number of storeys allowed, which is normally two, although in towns you might be allowed three (Usually applies to apartment buildings). Secondly, a minimum distance of 3 metres must be left between any boundary of the plot and any part of the building. Houses in residential areas, therefore, should always be a minimum of 6 metres apart.

A common mistake with regard to the allowed covered building area is that some people think it is the amount of land which the house covers on the ground. This is only true of bungalows – in the case of 2-storey houses, the area of the upper floor must be added to that of the ground floor and the covered verandas etc. to reach the total allowed covered area. For example, if you were allowed 100 square metres of building, you could either have a 100m² bungalow, or a 2-storey house with 50 + 50, or 60 + 40 or whatever, as long as it added up to no more than 100. With a 2-storey house, the 'footprint' on the land might only be 60m², but you'd have another 40m² on top, making up your 100. On a large enough Residential plot, it is also quite feasible to build two or more houses, as long as you stay within the total building allowance for the plot, and the minimum distance rules were adhered to. However, when you sub-divide a plot like this, the planning authorities normally insist that you allocate a certain area of the land (often 15%) to a 'Green Area' where no 'building' at all can take place, not even a path.

With agricultural plots, all the above rules apply, plus one more: Only one dwelling may be built. The word 'dwelling' is specifically used to prevent the construction of apartments or even 2 semi-detached houses. As mentioned above, the density factor on these plots is very low – this is usually 10% or even 6% in some cases. This means that you need a much larger plot than in a Residential zone, and Agricultural plots are thus usually a minimum of 3000 square metres. A further restriction may also be in height as previously mentioned so you may only be allowed to build a bungalow. This is true of many plots in the Kathikas, Droushia, Arodes and Neo Chorio areas, which are adjacent to the Akamas National Park.

So in Summary consider Zoning classification and build densities Be aware however that Zones can change in status and also building densities. Building density can only move upwards in percentage terms.

This is where our extensive local knowledge and contacts could prove invaluable. We will be happy to advise you and also on how to avoid the common pitfalls

Application for a VAT refund of 10% of the VAT paid.

General Summary.

The refund is given in the event of:

1. The purchased property is the first and main residence of the applicant.
2. The applicant does not own any other property in Cyprus.
3. In the event of a purchase of an apartment, it should not exceed the 130 sqm. In the event of a purchase of house it should not exceed the 250 sqm.
4. The applicant should be at least 18 years of age and should be a citizen of Cyprus or of any other member country of the European Union.
5. The applicant must be permanently residing in Cyprus.
6. The applicant should fill in a special form issued by the ministry of finance and a statement must appear in the government's gazette that this property is a first residence.
7. The application must be accompanied by a copy of the contract, a copy of the building permit (the same as the ones submitted to the land registry) evidence of the applicant's residence, such as copy of a phone bill, copy of a water bill, copy of the electricity bill, copy of the sewage bill and any municipality's tax bills.

Bringing your Pets to Cyprus :

Since the 1st October 2004 all animals entering Cyprus must have a European Pet Passport, which can be obtained from your local vet. You must have a suitable travel box that complies with IATA regulations for the movement of live animals.

1. If your pet has a Pet Passport, i.e. is micro-chipped and has had a rabies vaccination at least one month but not more than one year before flight, then it can enter without any form of quarantine. The pet's passport will be checked by a Customs official at the airport. There is a charge for this plus the airline delivery note of approximately €51.26 per family of animals, all payable in cash at the airport.
2. Your pet must have flea, tick and worm treatment 24 to 48 hours before the flight (you can ask your Veterinary Surgeon to do this). Your vet will fill in the relevant pages of the passport and stamp and date it to prove that this has been done. If this treatment has not been performed you will have to pay a further €44.50 at the airport and your pet may be subject to one month in quarantine from the date of import.
3. If your pet does not have a passport (as described in point 1) it may still enter Cyprus, but the pet will be subject to six months in quarantine and will need an import licence obtained from the Government vet in Limassol (Tel: 00357 25 305256). You will also need to book quarantine kennels in Cyprus. So - PLEASE TRY TO OBTAIN A PASSPORT ASAP!

Please note that the following breeds of dogs are

Not allowed to enter Cyprus:

American Pit Bull, Pit Bull Terrier, Japanese Tosa,
Dogo Argentino, Fila Brasileiro

Cyprus Immigration law

RESIDENCE AND EMPLOYMENT PERMITS IN CYPRUS.

Cyprus with its warm and stable climate and convenient geographical position is considered as an attractive place for residence and employment. Residence and employment in Cyprus are governed by the Aliens and Immigration legislation of Cyprus (Alien and Immigration Law Chapter 105 of the Laws as amended; Alien and Immigration Regulation KDP 242/72 of 22.12.1972 as amended).

Entry:

The requirements for visa vary depending on the nationality of each foreigner. For nationals of the following countries no visa is required for entry into Cyprus:

Andorra

Honduras

Panama

Argentina

Hungary

Paraguay

Australia

Ireland

Poland

Austria

Iceland

Portugal

Bolivia

Italy

Qatar

Brazil

Israel

Romania

Belgium

Japan

Russian Federation

Bulgaria

Latvia

San Marino

Brunei

Lithuania

Spain

Canada

Liechtenstein

Switzerland

Chile

Luxemburg

Singapore

Costa Rica

Malaysia

Slovakia

Croatia

Malta

Slovenia

Czech Republic

Mexico

Sweden

Denmark	Monaco	USA
El Salvador	New Zealand	United Kingdom
Estonia	The Netherlands	Uruguay
France	Nicaragua	Vatican
Finland	Norway	Venezuela
Germany	North Korea	Yugoslavia
Greece		
Guatemala		

Other nationals are required to secure their entry visa prior to arrival in Cyprus at the Embassy of Cyprus at their country. EU citizens pass the so-called face and passport control without receiving an entry stamp at their passport. All other nationals receive the official stamp that witnesses their arrival.

The entry visa is usually given from one to four weeks depending on the case.

Extension:

In order to extend a visa up to three months any person must apply to the District Aliens and Immigration Office. Required documents:

- rental agreement for the premises where the applicant will be staying (hotel, house, apartments)

- 2-3 photographs and photographs of dependants
- Appropriate amount of means to cover the expenses of the applicant in Cyprus (external account in one of the banks, pocket money, etc.)
- two way ticket with return date
- passport

An alien receives a stamp of the District Aliens and Immigration Office to his (her) passport that indicates the time of extension. No fees are payable.

Residence Permit:

A. Temporary Residence Permit

An alien may request for the issue of the temporary residence permit for the purpose of holidays, tour around the island and for the search of a possible temporary or permanent settlement in Cyprus.

To receive a residence permit in Cyprus an alien resident must fulfil one of the following requirements:

[Property in Cyprus \(holiday house\).](#)

The Title Deed or the Sale Contract must be presented to the District Aliens and Immigration Office. Also the following documents must be enclosed:

passport copies;

personal bank account with sufficient amount of means to cover the expenses of the applicant in Cyprus and/or bank letter of guarantee for €341.00-€854.00 (depending of the country of origin of the alien) to cover possible repatriation expenses (in case of US nationals no letter of guarantee is required);

bank statement

4 photographs and photographs of dependants;

form M.61

prescribed fees

Disposition of secured annual income

In some cases the Immigration Officer may secure a permit for an alien if he has stable and secured income from abroad.

It may be pension, dividends from investments, interest from deposits, etc.

Documents to be submitted:

- rental agreement for the premises where the applicant will be staying (hotel, house, apartments) or other information about the place of residence
- 4 photographs and photographs of dependants;
- external bank account with appropriate amount of means to cover the expenses of the applicant in Cyprus (external account in one of the banks, pocket money, etc.) and/or bank letter of guarantee for €341.00-€854.00 (depending of the country of origin of the alien) to cover possible repatriation expenses (in case of US nationals no letter of guarantee is required);
- passport copies
- form M.61
- prescribed fees

Each case is examined individually taking into account all the circumstances of the matter.

Alien students/pupils

Pupil permits for aliens are granted for attending registered secondary and primary educational institutes. In these cases the applications are submitted by the educational Establishment the aliens will attend. Such a permit is subject to be issued for a specific educational institute and a change of the institute means an abolishment of the existing permit and obligation to obtain a new one.

The alien should:

Register with the District Aliens and Immigration Office and apply for extension of his permit on the application of form M.61

Have an external bank account with the secured amount of means necessary for his(her) current expenses, including possible medical expenses, clean criminal record certificate, medical certificates of alien etc.

Marriage with a Cypriot citizen

In case where an alien will arrive to Cyprus with the purpose of marriage with a Cypriot citizen the form M.58 must be submitted to the District Aliens and Immigration Office. If the alien is already in Cyprus the application M.61 for temporary residence permit is subject to be submitted for extending the residence permit.

Together with the application submitted to the District Aliens and Immigration Office the marriage certificate, divorce certificate (if applicable) and bank letter of guarantee for €341.00-€854.00 (depending of the country of origin of the alien) to cover possible repatriation expenses must be presented. In case of US nationals no letter of guarantee is required.

Refugee temporary residence permit

The refugees are entitled to apply for the temporary residence permit in Cyprus as provided by the Refugee Law and Regulations.

Other cases of the temporary residence permit

Any person that permanently or temporarily stays in Cyprus or has a work permit may invite close members of his (her) family to stay together with him (her) and apply for the temporary residence permit for them. The document that must be presented to the District Aliens and Immigration Office are the work and/or residence permit and a bank letter of guarantee. An immigration officer may require additional information in each separate case.

At the stage of the submission of application to the appropriate district immigration and alien authority and after the payment of all the prescribed fees the applicant is given an Alien Book and a receipt that certifies that the appropriate application has been filed.

The applications are forwarded to the Civil Registry and Migration Department in Nicosia for the examination. During 2-4 months usually an applicant receives his permit that indicates its time limit. This may be from 6 months up to 1-2 years.

The Cyprus Alien and Immigration Legislation strictly forbids the employment of aliens for whom the residence permit has been granted without a work permit. An exception is only refugees and students that are engaged at practical work that is a part of the relevant educational process.

B. Permanent Residence Permit.

In order to settle in Cyprus permanently an alien may apply to the Chief Immigration Officer, Nicosia, Cyprus by submission of application form M.67. In accordance with the Regulation 5 of the Alien and Immigration Regulations of 1972 an alien person must belong to one of the following Categories:

Category A: Persons who intend to work as self employed in agriculture, cattle breeding, bird breeding or fish culture in the Republic, provided that they have in their possession adequate land or a permit to acquire same, they have fully and freely at their disposal capital of €427,150 and such an employment should not negatively affect the general economy of the Republic.

Category B: Persons who intend to work as self employed in mining enterprises in the Republic, provided that they have in their possession a relative permit, they have fully and freely at their disposal capital of €341,0720 and such an employment should not negatively affect the general economy of the Republic.

Category C: Persons who intend to work as self employed in a trade or profession in the Republic, provided that they have in their possession a relative permit, they have fully and freely at their disposal capital of €256,290 and such an employment should not affect negatively the general economy of the Republic.

Category D: Persons who intend to work as self employed in a profession or science in the Republic, provided that they have academic or professional qualifications, for which there is demand in Cyprus. Possession of adequate funds is also necessary.

Category E: Persons who have been offered permanent employment in the Republic, which will not create undue local competition.

Category F: Persons who possess and have fully and freely at their disposal a secured annual income, high enough to give them a decent living in Cyprus, without having to engage in any business, trade or profession. The annual income required should be at least €6,492 for a single applicant and moreover at least €3,075 for every dependent person, but the Immigration Control Board may demand additional amounts as necessary.

Most applicants come under this Category F, the majority of them being pensioners or retired persons. If the application is finally approved an alien will not be allowed to engage in any form of business profession or occupation, whether paid or unpaid while residing in Cyprus will have to support himself(herself) and all his(her) family from own income.

In case if the application is finally approved by the Civil Registry and Migration Department of Nicosia and the permanent residence permit is granted an alien receives an official stamp to his(her) passport and is not obliged to renew his(her) residence permit annually.

The aliens married with the citizens of Cyprus Republic are entitled to filing an application for the permanent residence permit (M.67) in Cyprus after one year from the filing date of previous application for the temporary residence permit in Cyprus M.58 or M.61). Aliens married to Cypriots are not allowed to work in Cyprus during the temporary residence.

Work Permit:

A. Employment of aliens with IBC (Offshore Companies).

International Business Companies are entitled to employ alien expatriates.

1. Executive Staff

The procedure begins with submission of application forms FFO and TRE to the Central Bank of Cyprus. The company-applicant is subject to have €17.000 issued capital and operate from their self-contained office. The applications must be accompanied by the following documents:

- corporate documents of the company
- Lease agreement or Title Deed (Sale Agreement) for the premises where the office of the company operates
- employment agreement with determination of annual salary and duration of the employment
- form M.58 application for entry visa if the expatriate is out of Cyprus
- form M.61 for temporary residence permit if the expatriate is in Cyprus
- form M.64 application for employment permit
- passport copies (applicant's and members of his(her) family)
- 4 photographs (applicant's and members of his(her) family)
- prescribed fees

The Central Bank of Cyprus sends the documents to the Migration Officer together with its recommendation. During 2 months the applicant receives the work permit by mail or fax. Usually the permit is issued for 2 years. Upon the arrival to Cyprus an applicant together with the members of his family must visit District Aliens and Immigration Office and receive his (their) alien books.

2. Non-executive staff

For the employment of non-executive staff a company-applicant receives from the district Labour Office the application form and specimen of employment contract, approved by the Labour Office. Furthermore, the following documents are subject to be submitted to the District Labour Office:

- corporate documents of the company
- description of the duties to be performed by the employee
- resume of the expatriate
- qualification (diplomas), experiences of the expatriate

Within two weeks the Labour Department will inform the company whether it is necessary to place advertisement at the local press. In such a case, announcements shall be placed in two different newspapers for two days each. A permit is granted only if no suitably qualified Cypriot citizens are available.

If the application is finally approved by the Labour Office an applicant submits to the District Aliens and Immigration Office the following documents:

- employment contract officially approved by the Labour Office and stamped by the Stamp Duty Office

- approval of the Labour Office
- form M.58 application for entry visa if the expatriate is out of Cyprus
- form M.61 for temporary residence permit if the expatriate is in Cyprus
- form M.64 application for employment permit
- passport copies (applicant's and members of his (her) family)
- 4 photographs (applicant's and members of his (her) family)
- prescribed fees

The procedure ends at the Migration Office of Nicosia that is the appropriate authority for the issue of work permit that is valid for 2 years. Upon the expiration of 2 years the so-called TRE permit may be renewed for additional 3 years in accordance with the appropriate procedure.

B. Employment of alien workers in Cyprus local companies

The procedure of issue of the working permit in General categories of Employment is based on the same principals as the procedure of the issue of work permit for the non-executive staff of IBC. The documents required to be submitted to the District Alien and Immigration Office must be added by a certificate of clean criminal record of the alien, medical certificate of alien and a bank letter of guarantee.

Some other categories of employment as domestic assistants and alien artists/musicians/ artistic ensembles are particularly regulated by the relevant Cypriot legislation. The procedure of obtaining of working permit in these categories is partly different from the general categories

procedure.

With the entry of Cyprus Republic to the European Union in 1st May 2004, the procedure for obtaining Residence and Work permits for EU citizens will be abolished and this may substantially influence the economy of the island and may create an increase of the unemployment rates for the Cypriot citizens.

Home Insurance:

Cyprus law obliges you to take out fire and earthquake insurance on your property, even if it is an apartment within a large block.

You will also need, of course, to take out full home and contents insurance on your property, once you have taken delivery of it.

There are many, many schemes available.

If you are planning to rent out your property, ensure that the insurers are aware of this, so that public liability is covered.

As a guideline, you should anticipate paying between CYP 1.00 and CYP 2.00 per thousand pounds insured.

Personal Taxation:

The following are very brief notes about the most obvious forms of taxation? You are advised to seek professional advice to confirm this information and for more complicated personal situations, including self-employment or running a company.

Double taxation agreements exist between Cyprus and most European countries.

Individuals permanently resident in Cyprus are taxed here on the following types of income:

- Employment income for work performed in Cyprus
- Profits from a business activity, which is carried out through a permanent establishment in Cyprus.
- Pensions in respect of employments exercised in Cyprus (except for pensions paid from a fund established by the Cypriot Government or any local authority.)

Income Tax and NI :

A person living and working permanently in Cyprus will have their income taxed as follows:

<u>Taxable income</u>	<u>Rate</u>
Up to € 17,086	Nil
€17,086.01 to €25,629.02	20%
€25,629.03 to €34,172.	25%
above €34,172.01	30%

Employers and employees are required to make National Insurance Contributions at the rate of 6.3%.

The above information is published in good faith and is correct to the best of our knowledge, but please check the details with independent sources before relying on it.

Cypriot Mortgages for purchasing a property in Cyprus - rates from approx 4.85% in Euros

Currently covers only Southern Cyprus residential property

If you are considering purchasing a property in Cyprus, Cypriot Mortgages are available for the majority of Nationalities for either House Purchase or re-financing for other purposes including Home Improvements.

Type of Cypriot Mortgage: Repayment Mortgage only

Minimum: €30,000 - Maximum 80%. All loans based on the valuation or purchase price - whichever is the lower.

Proof of Income: required in all cases (can be made up of Earned Income, Pension, Investment or Rental Income. Please note however, it is not always the case that the Lender will take all or part of these Incomes into account when determining the maximum loan available). Non-Status loans are currently not available.

Term: Maximum 40 years in Cyprus Pounds, 25 years in all other major Currencies - up to age 70

Currency: Cyprus Pounds and all other Major Currencies, including Sterling, Euros, US Dollars, Swiss Francs & Yen

Current Variable Interest Rate is from approx 1.75% above LIBOR (discount schemes for the first two year's possibly available). Alternatively loans from approx 6.00% in Cyprus Pounds

Example Cypriot Mortgage: For a Euro Mortgage of €70,000 over a period of 15 years at an interest rate of approx. 4.85% Variable = approx €556.50 capital and interest per month = a total approximate amount payable over the term of €103,010 including capital, interest, arrangement and survey fees.

Please note, that there are no non-status/self-certification Cypriot mortgage facilities available in Cyprus, but lending schemes are now available on a case-by-case basis based on Income only – see affordability calculation below - and does not include existing or new Liabilities.

All full status Cyprus Mortgages need to be supported by a minimum requirement of proof of income, i.e. if employed - copies of your last three month's pay slips & copies of your latest P60/Employer's Reference together with copies of your last 6 month's Personal Bank

Statements will be required or alternatively if you are self-employed - copies of your last three years Audited Accounts (or possibly by Accountant's Letter & Personal Tax Returns) & copies of both your last 12 month's Business and last 6 month's Personal Bank Statements will be required on application.

Unfortunately in Cyprus the Lenders will NOT take into consideration any proposed Rental Income from the property for mortgage purposes/repayments (although renting out your property is permitted).

Your Cyprus Mortgage is based on your joint net "take home" pay and is calculated on an affordability basis. All your existing liabilities including any mortgage/rent payments, personal and bank loans, credit cards (if the balance is not cleared on a monthly basis) and any maintenance (ie: Divorce) payments together with your proposed Cypriot mortgage payments must not exceed between 35% of your net monthly income or 45% of your gross monthly income – dependant on the final lending scheme.

Example (based on 35% of net monthly income): - Net joint monthly income € 2,500 times 35% of that figure is € 875 minus existing monthly mortgage payment € 300 – No other liabilities. This leaves a balance of €575 for a proposed Cypriot Mortgage payment.

Example (based on 45% of gross monthly income):- Gross joint monthly income € 2,500 times 45% of that figure is € 1,125 minus existing monthly mortgage payment € 300 – No other liabilities. This leaves a balance of € 825 for a proposed Cypriot Mortgage payment.

PLEASE ENSURE THAT YOU WILL HAVE FULL TITLE TO THE CYPRUS PROPERTY ON COMPLETION AND THAT THE APPROPRIATE DOCUMENTS ARE AVAILABLE FOR THE LENDER.

WITH NEW PROPERTIES, FIND OUT THE DATE THE PROPERTY IN CYPRUS WILL BE REGISTERED IN YOUR NAME(S), AS THE LENDER CANNOT LEND ON THE SECURITY OF THE PROPERTY UNTIL IT HAS BEEN REGISTERED.

WHILST ALL REASONABLE STEPS WILL BE TAKEN TO SECURE THE CYPRIOT MORTGAGE ON YOUR OVERSEAS PROPERTY AS SOON AS POSSIBLE, DELAYS MAY OCCUR DUE TO THE CYPRIOT LEGAL AND ADMINISTRATION SYSTEM.

CHECK WITH THE ESTATE AGENT/LAWYER THAT YOU ARE AWARE OF THE COSTS CHARGED BY THE LEGAL & GOVERNMENT AUTHORITIES FOR PURCHASING A PROPERTY IN CYPRUS, NOTING THAT THE LENDER WILL HAVE THEIR OWN LEGAL COSTS FOR ASSIGNING THE CYPRIOT MORTGAGE (THE COST OF WHICH THEY WILL NORMALLY ADVISE WHEN THEY ISSUE THE CYPRIOT MORTGAGE OFFER).

IT IS ESSENTIAL THAT YOU TAKE THE APPROPRIATE INDEPENDENT LEGAL ADVICE BEFORE SIGNING THE SALES CONTRACT OR PAYING A DEPOSIT, IF PURCHASING A PROPERTY IN CYPRUS, AS WOULD BE EXPECTED IF YOU WERE PURCHASING IN YOUR OWN COUNTRY. THE BANK WILL REQUIRE A COPY OF THIS DOCUMENT TO BE FORWARDED WITH THE RELEVANT APPLICATION FORM. HOWEVER YOU ARE ABLE TO SIGN THIS CONTRACT WITH THE CLAUSE "SUBJECT TO CYPRUS MORTGAGE FINANCE" AS THE CONTRACT, ONCE SIGNED IS LEGALLY BINDING.

PLEASE BE AWARE THAT THE LAWYER/NOTARY MAY BE INCORPORATING WITHIN HIS CHARGES, COSTS FOR ASSIGNING THE CYPRIOT MORTGAGE AND YOU SHOULD ESTABLISH WITH THE LAWYER/NOTARY THE ACTUAL COST BEFORE PROCEEDING WITH A CYPRIOT MORTGAGE APPLICATION.

IT IS ADVISABLE TO ARRANGE YOUR MORTGAGE IN CYPRUS BEFORE AGREEING TO PURCHASE A CYPRIOT PROPERTY.

A CYPRIOT BANK ACCOUNT WILL BE REQUIRED.

ALL CYPRUS MORTGAGES HAVE TO HAVE A SUITABLE LIFE ASSURANCE POLICY ASSIGNED TO THE LENDER.

CYPRUS PROPERTIES CAN BE PURCHASED EITHER INDIVIDUALLY OR IN JOINT NAMES.

CYPRIOT LENDERS WILL REQUIRE YOU TO VISIT CYPRUS FOR AN INTERVIEW PRIOR THE RELEASE OF FUNDS.

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

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