BRIS GROUP

CYPRUS

PRIVATE LIMITED COMPANY

CLIENT GUIDE 2026

EU company formation, 2026 tax reform, accounts, beneficial ownership and compliance

Professional company formation and ongoing corporate administration

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Cyprus Private Limited Company at a Glance

The most common Cyprus business vehicle for international clients is a **private company limited by shares** incorporated under the **Companies Law, Cap. 113**. It is a separate legal person, may be wholly foreign-owned and is governed by its Memorandum and Articles of Association. Cyprus is an EU and euro-area jurisdiction with a modern tax framework substantially revised from **1 January 2026**.

Topic	Current legal / practical position
Foreign ownership	A Cyprus private company may be 100% foreign-owned; there is no general requirement for a Cyprus-resident shareholder.
Members	A private company can have one member and is limited by law to a maximum of 50 members, subject to the statutory rules.
Directors	At least one director is used for a private company. Foreign directors are legally possible; residence/substance affects tax and practical administration.
Secretary	A company secretary is required under Cap. 113.
Registered office	A registered office in the Republic of Cyprus is mandatory.
Share capital	A private company has share capital. There is no general high statutory minimum capital for an ordinary private company.
Corporate tax 2026	From 1 January 2026, Cyprus corporate income tax is **15%**.
Annual compliance	Annual return, financial statements, tax return and beneficial-ownership compliance apply.

Key Benefits for International Clients

- 100% foreign ownership and international shareholder structures are permitted.
- EU and euro-area company with an established Companies Law framework based historically on English company law.
- Corporate income tax rate of **15%** from 1 January 2026.
- Profits from the disposal of qualifying 'securities/titles' remain fully exempt from corporate income tax under the Income Tax Law.
- Dividend income can benefit from corporate income-tax exemption subject to the statutory conditions.
- Qualifying profits of a foreign permanent establishment can be exempt, subject to the applicable conditions.
- Cyprus IP regime can provide an **80% exemption of qualifying net IP profits** under the nexus approach.
- Notional Interest Deduction can apply to qualifying new equity, subject to the statutory limitations.
- Cyprus has an extensive double-tax treaty network and access to EU directives where all legal conditions are met.
- From 1 January 2026, Cyprus stamp duty was abolished for documents/contracts entered into from that date.

Important 2026 Tax Residence Rule

A Cyprus company is generally Cyprus tax resident by incorporation

Current Cyprus Tax Department guidance states that a company incorporated or registered under the Companies Law is treated as **Cyprus tax resident**. The incorporation test does not apply where an effective double-tax treaty treats the company as resident in the other contracting state. A company is also Cyprus tax resident where its management and control are exercised in Cyprus.

Therefore, a Cyprus company does **not** obtain 0% Cyprus tax merely because its shareholder, director, customers or operations are abroad. For a normal Cyprus-incorporated company that remains Cyprus tax resident, taxable business profits are subject to the 15% corporate income-tax rate from 2026, subject to exemptions, deductions and special regimes.

Incorporation Requirements

Topic	Current legal / practical position
Company name	Must be approved/accepted by the Registrar and comply with Cap. 113 naming requirements.
Memorandum & Articles	Constitutional documents set out the company structure, objects/powers and internal governance.
Shareholder(s)	At least one member/shareholder; corporate shareholders are permitted.
Director(s)	At least one director in normal private-company practice; the board manages the company.
Secretary	A company secretary is required.
Registered office	A registered office address in Cyprus must be maintained.
Share capital	Authorised/issued capital and share rights are documented in the constitutional and corporate records.
Beneficial ownership	Ultimate beneficial owners must be identified and reported under the Cyprus beneficial-owner register regime.
Regulated business	Financial, investment, payment, insurance and other regulated activities require separate licensing/authorisation.

Share Capital

A Cyprus private company limited by shares issues shares with a nominal value and records the authorised/issued structure in its corporate documents and filings. Cap. 113 does not impose the substantial minimum-capital regime applicable to certain regulated/public structures on an ordinary private company.

No general high minimum paid-up capital

A standard private company can be established with modest share capital appropriate to the business. However, banking, licensing, immigration, foreign-interest company programmes or regulated activities can impose separate financial/substance requirements. Capital should therefore be selected for the actual purpose of the company.

Documents Required from the Client

- Passport or acceptable government-issued identification for shareholders, directors, secretary where applicable, and ultimate beneficial owners.
- Recent proof of residential address.
- Full ownership/control and beneficial-ownership information.
- Proposed company names and a detailed description of business activities.
- Proposed share capital, share classes and ownership percentages.
- Director and secretary details and proposed Cyprus registered-office arrangements.
- Countries of operation, customers/suppliers, expected turnover and banking/transaction profile.
- Source-of-funds/source-of-wealth information required under AML procedures.
- For corporate shareholders: current incorporation, constitutional, management, ownership and representation documents.

Formation Process & Documents Received

1. Structure/tax review **2.** KYC/AML & UBO review **3.** Name approval & constitutional documents **4.** Registrar incorporation **5.** Tax/UBO setup **6.** Corporate file

Typical corporate file: Certificate of Incorporation; Certificate of Registered Office; Certificate of Directors and Secretary; Certificate of Shareholders; Memorandum and Articles of Association; initial resolutions; register/share certificate records and beneficial-ownership documentation as applicable.

Corporate Tax - 2026 Reform

15% corporate income tax from 1 January 2026

Official Cyprus Tax Department material confirms that the corporate income-tax rate increased from **12.5% to 15%** for tax years from 2026 onwards.

Topic	Current legal / practical position
Trading/business profits	Taxable profits of a Cyprus tax-resident company are generally subject to 15% corporate income tax from 2026.
Dividends received	Generally exempt from corporate income tax, subject to the specific statutory anti-hybrid/other conditions.
Sale of securities/titles	Profits from disposal of qualifying securities are wholly exempt from corporate income tax.
Foreign permanent establishment	Profits can be exempt under the statutory conditions.
Qualifying IP	80% of qualifying net profit can be exempt under the nexus-based IP regime.
New equity	Qualifying new equity may generate Notional Interest Deduction, capped under the statutory formula.
Interest from 2026	Company interest income is within the corporate income-tax framework at 15% from 2026 under the reform.
Losses	The 2026 reform extended the tax-loss carry-forward period from five to **seven years**.

No General 'Offshore 0%' Exemption

Cyprus should not be presented as a classic territorial/offshore jurisdiction. A Cyprus-incorporated company is generally Cyprus tax resident under the current incorporation test unless a relevant double-tax treaty assigns residence elsewhere. Foreign-source trading income is therefore not automatically exempt simply because customers and work are outside Cyprus.

Where can the effective tax burden still be low?

The legitimate Cyprus advantages arise from specific statutory exemptions and deductions - for example qualifying securities gains, dividend exemptions, foreign-PE exemption, the IP box and Notional Interest Deduction - rather than from a blanket 0% exemption for 'offshore income'.

Withholding / Dividend Points

Cyprus generally remains attractive for international holding structures, but the exact withholding treatment depends on the payment type, recipient jurisdiction, low-tax/blacklist rules, EU law and applicable double-tax treaty. The 2026 reform reduced Special Defence Contribution on actual dividends to **5%** for the relevant Cyprus-resident/domiciled recipients and abolished deemed dividend distribution rules for profits arising from 2026. These rules should not be confused with tax on a non-resident shareholder.

Capital Gains

Cyprus Capital Gains Tax is principally relevant to disposals of immovable property situated in Cyprus and, subject to the statutory rules, shares in companies deriving value from Cyprus immovable property. Ordinary profits from disposal of qualifying securities/titles are separately exempt from corporate income tax. The exact treatment must be checked for the asset concerned.

Tax Return & Tax Registration

Cyprus companies register with the Tax Department and file the company income-tax return. From **1 July 2026**, legal persons registered in the Registrar's business-entity register use the new Tax For All/CY Login process for tax-registry registration.

New tax-return deadline from tax year 2026

The Tax Department states that, following the 2026 reform, the company income-tax return deadline is reduced to **13 months after the end of the tax year**. For tax year 2026, the stated deadline is **31 January 2028**. Returns for tax years from 2026 onwards are to be submitted through Tax For All.

Financial Statements & Annual Return

Cap. 113 requires directors to cause financial statements to be prepared for every company. The Companies Law requires annual financial statements and annual-return compliance, with applicable accounting/audit requirements depending on the company and current statutory framework.

Topic	Current legal / practical position
Financial statements	Prepared for each company in accordance with the applicable Cyprus Companies Law/accounting framework.
Annual return	A company with share capital must make an annual return under section 118 of Cap. 113.
HE32 filing	The Registrar provides the electronic service for filing the annual return HE32 of a private company with share capital.
Corporate records	Registered office, members, directors/secretary, share capital and prescribed information must remain current.
Audit/accounting	Professional accounting and statutory audit/review requirements must be assessed under the current Companies Law and audit legislation for the company's size/status.
Tax accounts	Accounting records must support the company's Tax For All income-tax filing and tax computation.

Annual Company Levy - Important Update

The EUR 350 annual company levy was abolished from 2024

The Cyprus Government officially announced that Law 25(I)/2024 abolished the annual EUR 350 company levy **for 2024 and subsequent years**. Historical annual levies for 2011-2023 remain relevant where unpaid. Some older Registrar web pages still display the former EUR 350 requirement, so the 2024 amending law/official abolition announcement should be followed for current companies.

Beneficial Ownership Register

Cyprus companies are subject to the Register of Beneficial Owners of corporate and other legal entities under the AML legislation and the Beneficial Owners Directive. Companies must identify their natural-person beneficial owners, maintain accurate information and submit/update the prescribed data through the Registrar's system.

The beneficial-owner regime has been amended repeatedly, including amendments in 2023 and 2024. Access to information and filing procedures are governed by the current legislation and Registrar rules; the structure should never be marketed as anonymous.

Annual Compliance Checklist

- Maintain the Cyprus registered office, director(s) and company secretary.
- Keep shareholder, director/secretary and share-capital records current.

- Maintain proper accounting records and prepare annual financial statements.
- Complete statutory audit/review/accounting requirements applicable to the company.
- File the HE32 annual return and accompanying information/documents as required.
- Maintain Tax For All registration and file the company income-tax return.
- Pay corporate tax/preliminary tax and other taxes by applicable deadlines.
- Review VAT, VIES, payroll/social-insurance and other registrations according to actual activity.
- Maintain and update beneficial-owner information.
- Review Cyprus tax residence, substance and treaty position annually.
- Maintain licences where the business activity is regulated.

Why Cyprus Can Be Attractive

Topic	Current legal / practical position
EU jurisdiction	EU/euro-area corporate platform with treaty and directive access subject to conditions.
Foreign ownership	100% foreign shareholding is possible.
2026 tax rate	15% corporate tax with targeted exemptions and deductions.
Holding activities	Qualifying dividends and securities disposals can benefit from important statutory exemptions.
IP structures	80% qualifying-profit exemption under the nexus-based IP regime.
Equity funding	Notional Interest Deduction can reduce taxable profits from qualifying new equity.
No annual levy	The former EUR 350 annual company levy has been abolished from 2024 onward.
No stamp duty from 2026	Cyprus stamp duty was abolished for documents/contracts from 1 January 2026.

How BRIS Group Supports You

Pre-formation review - Review ownership, business activity, tax residence, substance and suitability of Cyprus.

Company formation - Coordinate name approval, constitutional documents, Registrar incorporation and corporate records.

Cyprus administration - Coordinate registered office, secretary and local corporate-administration services.

KYC / UBO - Coordinate shareholder, director, UBO and source-of-funds due diligence and beneficial-owner filings.

Tax registration - Coordinate Tax For All/TIN setup and appropriate Cyprus tax support.

Accounting & tax - Coordinate bookkeeping, financial statements, audit/review where applicable and corporate-tax compliance.

Annual return - Coordinate HE32 annual-return and corporate-register updates.

Documents - Arrange certified Registrar documents, apostille/legalisation and Good Standing/status documents where required.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Cyprus private company incorporation and maintenance and is not a fee quotation. BRIS Group professional fees, Cyprus registered-office/company-secretary services, Registrar fees, accounting, audit/review, Tax For All/VAT/payroll support, beneficial-owner filings, certified documents and optional services are quoted separately. Clients may request a tailored quotation based on the proposed structure and activity.

Client Preparation Checklist

- Three proposed company names.
- Detailed business activity and countries of operation.
- Shareholder(s), ownership percentages and ultimate beneficial owners.
- Proposed director(s) and tax-residence/substance plan.
- Company secretary and Cyprus registered-office arrangements.
- Passport and recent proof of address for each relevant individual.
- Corporate documents for any legal-entity shareholder.
- Proposed share capital, share classes and allocation.
- Source-of-funds/source-of-wealth information.
- Expected turnover, currencies, banking and transaction profile.
- Expected Cyprus/EU staff, premises, VAT/VIES or payroll requirements.

■ Any regulated activity, licence, banking or apostille requirements.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Cyprus legal, tax, accounting, audit, VAT, regulatory or investment advice. **From 2026 the Cyprus corporate income-tax rate is 15%.** A Cyprus-incorporated company is generally Cyprus tax resident under the incorporation test unless an applicable double-tax treaty treats it as resident in the other contracting state. Accordingly, foreign ownership or foreign customers do not by themselves create a 0% tax exemption.

Primary official/legal sources reviewed: Companies Law, Cap. 113; Cyprus Tax Department Income Tax Law N.118(I)/2002 as amended through the 2026 framework; official Tax Residence guidance; Tax Reform 2026 materials; Tax Department company income-tax return guidance; Ministry of Finance Tax Incentives (January 2026); Registrar annual-return HE32 and beneficial-owner materials; Law 25(I)/2024 / Government announcement abolishing the EUR 350 annual company levy from 2024.

Information reviewed: August 2026. Tax, beneficial-owner, audit/accounting and filing rules will be reconfirmed before incorporation and annual compliance work.

PREPARED BY BRIS GROUP

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