

ANDREAS NEOCLEOUS & CO LLC  
Advocates and Legal Consultants

REAL ESTATE AND PROPERTY  
IN CYPRUS

 NEOCLEOUS

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## Introduction

The world's population is growing rapidly and so is the demand for land. Land is a finite resource and therefore its value worldwide is constantly increasing.

In recent years the increase has been rapid, fed by inflation and the instability of the monetary systems and fiscal policies of advanced economies, making investment in immovable property extremely attractive. The great technological advances in communication, transportation and international trade have made investment in this field easier and more accessible than in the past. Even if there is a moderation in property values in the short term, prices have historically shown steady growth in the longer term.

Man's affinity with the land stems from time immemorial and it is easy to understand why land has always been considered as one of the most precious commodities, closely connected with social and economic stability and progress, and why legal systems throughout history have sought to put in place robust means to regulate the rights of occupation and ownership of immovable property.

### Cyprus

Cyprus is no exception to the global picture. The economic and social evolution that has taken place in recent years, combined with industrialisation, the development of sophisticated methods of cultivation and the absence (at least until recent years) of alternative forms of investment, have diverted capital from both home and abroad to land ownership. This trend became even more pronounced after Cyprus became a full member of the European Union in 2004. Since Cyprus adopted the euro as its currency in 2008, property is easier to buy and sell than ever, and demand has continued to increase.

This trend has necessitated the establishment of a suitable legal framework which, while allowing the involvement of Cyprus in the international land market, protects the social, economic, agricultural and industrial interests of the island and its people.

Cyprus has generally succeeded in achieving a reasonable balance between these sometimes conflicting objectives. Despite its troubled history, it has managed to develop a robust legal system for immovable property which is as efficient as similar systems in other advanced countries. It is operated through a series of laws which are regularly amended to meet everyday demands and balance competing interests in this vital sector of the economy.

### Foreign investment in immovable property

Cyprus's strategic location in the eastern Mediterranean at the crossroads of Europe, Asia, the Middle East and Africa, its reliable and transparent legal system, combined with its membership of the EU, its excellent infrastructure coupled with reliable communication with all parts of the world, its relatively low cost of living, excellent climate and the friendliness and hospitality of its people, are just some of the factors that make the island attractive to foreign investors. Non-Cypriots investing in immovable property in Cyprus

may generally be classified in the following four main categories:

- **Retired residents.** Attractive incentives are available to retired people, including very low taxation of pension income received from abroad, with the first €3,420 per year being tax-free and the remainder subject to tax at only 5%. Retirees may also enjoy the benefits of any double taxation treaty between their country of origin and Cyprus. Double tax treaties are in place covering more than 40 countries, and many others are under negotiation. Last, but not least, there are no succession taxes.
- **Economically active residents.** This growing category includes non-Cypriots who live indefinitely or for a fixed period in Cyprus as employees, either of their own international business company or of a local or international firm, and who choose to buy their own home in Cyprus rather than live in rented property. It also includes international business companies purchasing houses for their directors.
- **Holiday makers and speculators.** Many people purchase properties as holiday homes, often with a view to permanent residence in Cyprus once they retire, or to sell at a profit at a later stage. Profits from the sale of immovable property may be repatriated, subject to capital gains tax.
- **Business investors.** Many foreign individuals and companies acquire property in Cyprus for tourism, business premises or industrial purposes, making use of the location and climate of Cyprus, its excellent infrastructure and the various incentives offered for these purposes, especially in the area of taxation. To this end, the Free Trade Zone structure offers attractive incentives, including reduced taxes.

### **Permanent residence and economic citizenship schemes**

The government has put in place a number of programmes entitling owners of property in Cyprus and their families to obtain permanent residence permits or Cyprus citizenship on an accelerated basis provided they are of good character and satisfy the relevant criteria. We should be delighted to advise on the details of these programmes.

### **Price of land**

The relatively small area of Cyprus and high demand for immovable property have brought about an increase in the cost of real estate in recent years but nevertheless both property prices and the general cost of living are still lower than in most European countries.

### **Legal assistance**

Most property developers in Cyprus are long-established and reliable, and Cyprus has a transparent and well-regulated legal system, with world-class professional and financial services available in the major cities. Nevertheless, as in every country, the complexity of the legislation on immovable property and the formalities which need to be considered make

it imperative to obtain reliable and efficient legal advice from the outset in order to avoid unforeseen pitfalls and undesirable consequences in the future. This should always include a comprehensive search at the Land Registry to make sure that the property is free from any encumbrances, charges or burdens, and enquiries with other relevant government bodies.

Cutting corners by neglecting to take independent, reliable legal advice is a false economy which may lead to serious difficulties.

Finally, it should be noted that this brochure refers only to real estate in the area controlled by the legitimate government of the Republic of Cyprus. The so-called Turkish Republic of North Cyprus is recognized only by Turkey, and the ownership of many properties in the north of Cyprus is disputed, with many thousands of claims to ownership from people displaced during the events of 1974. The European Court of Human Rights has ruled in a number of cases that owners of property in northern Cyprus before 1974 continue to be regarded as the legal owners of that property. Purchase of such properties could have serious adverse financial and legal consequences.



## Our real estate and property department

Realising the importance of immovable property matters for Cypriot and foreign clients, Andreas Neocleous & Co has for many years had a specialist real estate and property department to provide tailored services and achieve rapid, cost-effective results.

The department deals with all matters relating to freehold and leasehold property, including transactions and disputes involving commercial and residential property, and provides a comprehensive service to resident and non-resident purchasers of property in Cyprus. The department also deals with wills, probate and other private client matters. The services we provide include:

- Drafting contracts on behalf of buyers and sellers;
- All aspects of the acquisition of immovable property by non-Cypriots including applications for residence permits, expatriation of funds and similar matters;
- Property management for non-residents;
- Estate planning and wills;
- Administration of estates, probate and re-sealings.

The lawyers in our Real Estate and Property Department are able to deal with all property-related issues for individuals and corporate clients and to provide comprehensive advice and assistance with all aspects of commercial and domestic property matters.

The head of the department is:

**Lefkios Tsikkinis**, born in 1942 in Limassol, Cyprus. Mr Tsikkinis graduated from Athens University in 1967 and was admitted to the Cyprus Bar in 1968. He is a partner in the firm, and his main areas of practice are conveyancing and immovable property, wills, probate and succession, foreign investment in Cyprus, international tax aspects of establishing residence in Cyprus, contract law and general commercial and civil practice. He is a co-author of “*Introduction to Cyprus Law*” published by Andreas Neocleous & Co. (2000, 2009 and 2011).

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He is supported by:

**Christos Vezouvios**. Christos heads our specialist immigration law team. He was born in Limassol, graduated in law from the University of Wales and subsequently obtained an LLM in International Maritime Law. Christos joined us as a trainee and joined our real estate department following successful completion of his training contract and admission to the Cyprus Bar. Christos is a co-author of “*Handbook of the Laws of Cyprus*”, published by Nomiki Bibliothiki (2008) and of the third edition of “*Introduction to Cyprus Law*” published by Andreas Neocleous & Co. (2011).

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They are backed by experienced support staff familiar with land registration procedures and with all other aspects of buying and selling property in Cyprus.

Where appropriate, our real estate specialists work closely with their colleagues in other areas of the firm, such as our international tax group, to ensure clients receive the best, most comprehensive advice.

## Legislation related to immovable property

Myriad laws in Cyprus regulate matters affecting immovable property and related transactions, either directly or indirectly. Such legislation may be divided into two categories, namely general legislation and specific legislation.

### **General legislation**

This comprises those laws which, although not regulating matters of immovable property directly, contain provisions applicable to rights in immovable property. The main laws in this category include:

- The Constitution of Cyprus;
- The Contract Law, Cap. 149;
- The Civil Procedure Law, Cap. 6, and Rules;
- The Stamp Law, No. 19/1963;
- The Wills and Succession Law, Cap. 195;
- The Administration of Estates Law, Cap. 189;
- The Probates (Re-Sealing) Law, Cap. 192;
- The Trustee Law, Cap. 193;
- The International Trusts Law, No. 69/1992;
- The Central Bank of Cyprus Law, No. 138(I)/2002; and
- The Movement of Capital Law, No. 115(I)/2003.

### **Specific legislation**

This includes all the laws and regulations referring particularly to immovable property, including:

- The Immovable Property (Tenure, Registration & Valuation) Law, Cap. 224;
- The Sale of Immovable Property (Specific Performance) Law, No. 81(I)/2011;
- The Compulsory Acquisition of Property Law, No. 15/1962;
- The Acquisition of Immovable Property (Aliens) Law, Cap. 109;
- The Immovable Property (Transfer and Mortgage) Law, No. 9/1965;
- The Immovable Property Tax Law, Cap. 322;
- The Immovable Property (Towns) Tax Law, No. 89/1962;
- The Capital Gains Tax Law, No. 52/1980; and
- The Rent Control Law, No. 23/1983.

### Double taxation treaties

Cyprus has an extensive network of double taxation agreements covering the following countries, certain provisions of which affect directly or indirectly the ownership and disposition of immovable property.

Armenia	Egypt	Kuwait	Qatar	Spain
Austria	Estonia	Kyrgyzstan	Romania	Sweden
Azerbaijan	Finland	Lebanon	Russian Federation	Syria
Belarus	France	Malta	San Marino	Tajikistan
Belgium	Germany	Mauritius	Serbia	Thailand
Bulgaria	Greece	Moldova	Seychelles	Ukraine
Canada	Hungary	Montenegro	Singapore	United Arab Emirates
China	India	Norway	Slovakia	United Kingdom
Czech Republic	Ireland	Poland	Slovenia	United States
Denmark	Italy	Portugal	South Africa	Uzbekistan

Agreements are under negotiation, or awaiting ratification, with many other countries. The position is constantly changing and up-to-date information should be sought before entering into any transaction.

## Summary of main legislative provisions

The following is a brief analysis of the key features of Cyprus legislation directed at the protection of ownership of, and the rights pertaining to, immovable property, and the regulation of associated transactions, particularly where overseas investors are concerned.

### **The Constitution of Cyprus**

The Constitution of Cyprus establishes the equality of all persons irrespective of their nationality and includes provisions for the protection of human rights of all persons without discrimination. Any violation by an administrative authority of a person's fundamental rights entitles that person to request the authority in question to remedy the situation. The authority has 30 days to answer the request.

Furthermore, such a person has free access to any competent court in Cyprus, as well as to the European Court of Human Rights.

The right of ownership of immovable property is considered as one of the fundamental human rights under the Constitution of Cyprus and as such it is fully protected under article 23 of the Constitution. Further protection is given by the Compulsory Acquisition of Property Law No. 15/1962, outlined later in this brochure.

Non-Cypriots who own property in Cyprus enjoy the same property rights as Cypriots and can be assured that their property is absolutely protected.

### **The Contract Law and the Civil Procedure Law**

These laws regulate transactions of all kinds, including those relating to immovable property, and set out the procedures followed by the courts for resolving disputes. They originate in the time when Cyprus was a British colony and are to a large extent modelled on their English counterparts. Although they have been subject to amendment in recent years, they are still similar to the English model.

The Contract Law provides that contracts in respect of immovable property should be made in writing, duly stamped and properly signed and witnessed.

All disputes arising from transactions concerning immovable property are governed by the laws of Cyprus and are subject to the jurisdiction of the courts of Cyprus. The parties, however, may in some circumstances agree to the concurrent jurisdiction of other courts or refer any dispute to arbitration before resorting to court proceedings.

### **The Stamp Law**

The Stamp Law provides for stamp duty on contracts on the basis of the consideration at the following rates:

- No stamp duty is payable on transactions with a consideration of €5,000 or less;

- For transactions with a consideration in excess of €5,000 but not exceeding €70,000, stamp duty of €1.50 for every €1,000 or part thereof is payable;
- For transactions with a consideration in excess of €70,000 stamp duty of €2.00 for every €1,000 or part thereof is payable.

Stamp duty must be paid within 30 days from the date of execution of the relevant documents or, if they are executed abroad, within 30 days after they are received in Cyprus. The absence of the revenue stamp does not render a contract void but an unstamped contract cannot be used in court proceedings or for the transfer of ownership of property in the Land Registry. An unstamped contract may be used in proceedings or to transfer ownership provided it is properly stamped at the time of such use. In this event a surcharge of approximately 10 percent of the unpaid amount is imposed if payment is made within six months after the due date; otherwise the surcharge is twice the unpaid amount.

### **The Wills and Succession Law, the Administration of Estates Law and the Probates (Re-Sealing) Law**

These laws are also modelled on their English counterparts and they deal with the rights of persons as regards the disposition of their properties after death and the relevant procedures.

Persons domiciled in Cyprus may not dispose by will of the whole of their estate if they have a surviving spouse, children or both. The undisposable (statutory) portion is one half of the estate if the deceased leaves a spouse or parent but no children and three quarters of the estate if the deceased leaves children. This restriction on testamentary freedom does not apply to citizens of the United Kingdom or of most other Commonwealth countries apart from Cyprus. In practice, the restriction can be easily overcome by proper forward planning.

With regard to the substance and legal effect of wills the applicable law is, for provisions referring to immovable property, the law of the country or countries where such immovable property is situated (*lex rei sitae*) and for provisions referring to movable property, the country where the deceased was domiciled at the time of death (*lex domicilii*) which may not necessarily be the country of residence. The Wills and Succession Law, which applies to the devolution of all immovable property in Cyprus, requires that wills should be in writing and attested by two competent witnesses, and they should reflect clearly the free and true wishes of a sane and competent testator.

Wills may be deposited with the Probate Registrar of the District Court who will issue a receipt to this effect, or may be entrusted for safe keeping with lawyers.

It is advisable that an executor or executors be appointed in the will to carry out the wishes of the testator.

It should be noted that upon the subsequent marriage or divorce of the testator the will should be reviewed and re-executed, in order to avoid any risk of automatic revocation. Testators should also seek legal advice if the executor or any beneficiary changes his name, dies or becomes incompetent to act, or if any property in the estate is subsequently sold or changes its nature, as otherwise the wishes of the testator may not take effect.

Non-Cypriots may set up a trust by will and bequeath the whole of their estate to appointed trustees to hold it in trust for the benefit of beneficiaries and to manage and dispose of it in accordance with the instructions of the testator.

If a person dies intestate or does not appoint an executor in the will, the court will appoint an administrator. If there are heirs under disability the court will appoint at least two administrators.

The administrator administers the estate according to the law, paying the debts of the deceased, collecting and distributing the assets amongst the heirs and accounts to the court. The surviving spouse and any children inherit in equal shares.

The Probates (Re-Sealing) Law makes special provision for persons who die in the United Kingdom or in any British Dominion or Commonwealth country and who, at the time of death, also had property in Cyprus. According to this law, the Grant of Probate or Letters of Administration issued by a competent court of such country may be re-sealed in Cyprus and an administrator may be appointed by the court to administer their estate in Cyprus. The intended administrator should accompany his application to the court with copies of the Grant of Probate and will, or the Grant of Letters of Administration, certified as true copies by the issuing court, and a power of attorney of the executor/s or administrator/s appointed by the court. Upon completion of the administration he should file with the court final accounts of his administration, with a declaration by the foreign executor/s or administrator/s that the administration in Cyprus was carried out to their satisfaction.

There are no succession taxes such as inheritance tax in Cyprus.

### **The Trustee Law and the International Trusts Law**

This law is based upon its English counterpart and the English principles of equity, which also form part of the Cyprus legal system.

There are three forms of trust which can be set up in Cyprus:

- **Local Trust.** The settlor, the trustees and the beneficiaries are Cyprus residents and the trust property may include immovable property in Cyprus.
- **Offshore Trust.** The settlor and the beneficiaries may not be resident in Cyprus. The majority of the trustees, whether individuals or trust companies (including offshore Cyprus trust companies) must be Cyprus residents. The trust must be located in Cyprus so that Cyprus law applies and the Cyprus courts have at least concurrent jurisdiction. The trust income must be generated from sources outside Cyprus, but the trustees may hold immovable property in Cyprus if they obtain the required permit from the Council of Ministers. The trust deed must be executed in Cyprus.
- **International Trust.** International trusts are regulated by the International Trusts Law, No. 69/1992, which was substantially amended and modernised in

2012, giving Cyprus one of the most modern and beneficial trust regimes in the world. The Cyprus International Trust provides settlors with formidable asset protection features and significant succession and tax mitigation benefits. Flexibility, control, confidentiality and perpetuity are added benefits of Cyprus International Trusts.

### **The Central Bank of Cyprus Law and the Movement of Capital Law**

In accordance with its policy of harmonisation with the *acquis communautaire* of the European Union and in order to encourage foreign investment, Cyprus liberalised its rules in relation to investment by non-residents in Cyprus at the time it joined the EU. The Movement of Capital Law provides that all movement of capital and payments between residents of Cyprus and residents of EU member states or third countries may be carried out without restrictions. However, the Movement of Capital Law does not override the restrictions on direct investment, particularly in immovable property, imposed by other legislation such as the Acquisition of Immovable Property (Aliens) Law which is described below and differentiates between citizens and companies of EU member states on the one hand and third country nationals on the other.

### **The Immovable Property (Tenure, Registration and Valuation) Law**

This law was enacted in 1946, replacing the Ottoman Land Law which had prevailed until then. It is considered to be the A to Z of immovable property in Cyprus, dealing with all matters concerning the tenure, registration, disposition and valuation of immovable property within the framework of the Cyprus land registration system, in which immovable property is defined, drawn, recognised, and valued.

The Land Registry is unique, in that by its function the history of each piece of land is traced back to the date of the General Survey. Rights in land are defined and secured and all transactions relating to immovable property are protected.

Cyprus is one of only a few countries in the world to maintain such an accurate and effective registration system. Moreover, with the completion of computerisation, it is expected that all the Land Registry services will be upgraded and accelerated.

Under the Immovable Property Law “immovable property” means:

- Land;
- Buildings and other erections, structures or fixtures affixed to any land or to any building or other erection or structure;
- Trees, vines and any other thing whatsoever planted or growing upon any land and any produce thereof;
- Springs, wells, water and water rights whether held with, or independently of, any land;

- Privileges, liberties, easements and any other rights and advantages whatsoever relating or reputed to relate to any land or to any building or other erection or structure; or
- An undivided share in any of the above.

“Movable property” is anything not constituting immovable property.

Section 40 of the Immovable Property Law provides that ownership of immovable property or rights in immovable property can only be acquired by registration at the Land Registry, through the procedure described in the law and that such registration may only be effected by the registered owner of the property. The certificates of registration (title deeds) issued by the Land Registry define the property, secure its ownership and facilitate transactions related to the property.

### **The Sale of Immovable Property (Specific Performance) Law No. 81(I)/2011**

Under this law a purchaser of immovable property may secure the remedy of specific performance by depositing a duly stamped copy of the contract at the Land Registry within six months from the date of its execution, thus preventing the vendor from transferring the property elsewhere or charging it for as long as the contract is valid and legally effective. If the vendor subsequently refuses to transfer the property the purchaser may apply to the court for an order to transfer the property into his name.

### **The Compulsory Acquisition of Property Law No. 15/1962**

Compulsory acquisition or imposition of restrictions on immovable property is regulated by the Compulsory Acquisition Law, No. 15/62, under which national or local government bodies may acquire property, in the public interest and by showing just cause, but only on payment of immediate compensation to the owner at the current market value. This law also provides that properties so acquired should be returned to their owners if the purpose for which they were acquired is not realised within three years of the date of acquisition. This law protects both Cypriot and non-Cypriot property owners.

### **The Acquisition of Immovable Property (Aliens) Law**

This law, which imposed restrictions on the acquisition of immovable property in Cyprus by non-Cypriots, dates back to the time when Cyprus was a British colony. Since Cyprus joined the EU in 2004 the restrictions on EU citizens have been relaxed and EU citizens and companies incorporated in other EU member states are free to acquire property on the same terms as Cyprus citizens. Only third-country nationals and Cyprus companies controlled by them are subject to any restriction under the law, which in any event is generally a formality.

The term “acquisition of immovable property” includes the purchase of freehold property, the grant or purchase of a lease of property for a period exceeding 33 years and the acquisition of shares in Cyprus companies which own immovable property on the island.

The law requires third-country nationals wishing to acquire immovable property to obtain

the permission of the Council of Ministers. Normally permission is routinely granted to bona fide foreigners to acquire a flat or a house or a piece of land not exceeding three donums (about 4,000 m<sup>2</sup>) for the erection of only one house for use as a residence only by the purchaser and his family. In May 2013 the Ministry of Interior issued a circular to the effect that non-EU citizens will be allowed to own two properties, which can be two residences or one residence and one shop with a floor area up to 100 m<sup>2</sup>. Although it may take up to 12 months for the formal permit to be obtained, purchasers are entitled to occupy the property in the meantime.

Members of the family of an original purchaser may also acquire their own property, provided that they are completely independent of the purchaser, both financially and residentially, such as married children having their own family and business. Permission is granted for personal use, and not for letting or commercial use. This rule is relaxed for international companies which are permitted to acquire business premises, as well as houses or flats as residences for their members or directors.

After the permit has been granted and the property has been registered in the purchaser's name there is no further restriction and the property may be sold or disposed of by will or other instrument. Moreover, the legal heir is not required to obtain a permit in order to have the property registered in his name.

### **The Immovable Property (Transfer and Mortgage) Law, No. 9/1965**

This law regulates mortgages of immovable property and sales of mortgaged property. It requires mortgages to be registered at the Land Registry.

Transfer fees are payable by the purchaser on the purchase price or, under certain circumstances, on the current market value. The first €85,000 is charged at 3%; the next €85,000 is charged at 5% and any excess above €170,000 is charged at 8%.

Thus the transfer fee on a property priced at €250,000 will be €13,200 (85,000@ 3% plus 85,000 @ 5% plus 80,000 @ 8%).

In order to stimulate the market for new properties the government has announced temporary waivers and reductions of transfer fees. The transfer fee on a sale of property on which VAT is payable will be waived provided that the sale agreement is deposited with the Land Registry by 31 December 2016. For a first-time sale of a new property which is not subject to VAT (which is the case if the building permit was obtained prior to 1 May 2004) the transfer fee is halved.

### **The Immovable Property Tax Law and the Immovable Property (Towns) Tax Law**

Immovable property tax is each year by all owners of immovable property in Cyprus. The tax is assessed on the taxpayer's total holding of immovable property on the preceding 1 January, valued at 1980 values. For 2013 the rates applied to each successive tranche of the 1980 value progressed from 0.6% on the first €40,000 to 1.9% on any amount above €3 million.

The government has recently concluded a revaluation of properties to current values with the intention of revising the immovable property tax system, re-basing it on current values and adjusting the rates accordingly. Its intention was to have the new system in operation for the 2014 tax year, but a draft law introducing a single rate of tax on current values failed to secure the necessary parliamentary support, and for 2014 the tax will continue to be based on 1980 values.

Some minor amendments have been made for 2014. The person in possession of the property will be liable for immovable property tax regardless of whether the property is registered in their name, except where the non-registration of the property is for reasons outside their control. The due date for payment is 30 November, and there is a 15% discount for those paying 30 days before that.

Owners of immovable property are also subject to minor charges under other laws, such as municipal or village rates, sewerage fees and refuse collection charges. Costs are generally much lower than in the rest of Europe.

### **The Capital Gains Tax Law**

Capital Gains Tax is levied at the rate of 20% on gains realised from the disposal of immovable property in Cyprus, including gains from the disposal of shares in private companies which own such property.

The following categories of disposals are exempt from Capital Gains Tax:

- Transfers by reason of death;
- Gifts between relatives up to the third degree of kindred;
- Gifts to family companies (limited companies whose only shareholders at the time of the gift and for the entire period of five years thereafter are members of the family of the donor);
- Gifts by family companies to their shareholders, but only in cases where the property given was originally acquired by the company as a gift;
- Gifts to charitable institutions or to the Republic of Cyprus;
- Exchanges of immovable properties; and
- Compulsory acquisitions.

In assessing the gain the following will be deducted from the price received:

- The market value of the property at 1 January 1980, or, if it was acquired after that date, the price paid or the consideration given for the acquisition of the property;
- The cost of any major improvements;
- The subsequent increase in the value of the property due to inflation, calculated by reference to the Retail Price Index issued every month by the Department of Statistics;
- Expenses related to the acquisition and disposal of the property such as transfer fees and legal costs.

Individuals may deduct from the resultant gain the following lifetime exemptions:

- In the case of sales of agricultural land by farmers, the first €25,629 of the sale price, provided that the farmer was residing in the same area at the time of the sale;
- In the case of sales of property used as a residence by the vendor, the first €85,430 of the sale price, provided that the property has been used as the vendor's residence for at least 5 years prior to the sale; and
- In the case of any other disposal, the first €17,086 of the sale price.

These deductions are granted once only, unless they have not been exhausted by the first sale, in which case any balance is carried forward. An individual claiming a combination of exemptions is allowed only a maximum exemption of €85,430.

### **The Rent Control Law**

Property leases in Cyprus are governed by the provisions of the Contract Law, subject to the restrictions introduced by the Rent Control Law to protect tenants against eviction under certain circumstances.

The Rent Control Law does not apply to non-Cypriots renting properties in Cyprus.

Leases exceeding 15 years may be registered with the Land Registry and registration should be effected within three months of the signing of the lease. Registered leases afford the lessee certain advantages, including the right to trade the lease.

As noted earlier, non-EU citizens may not take a lease of immovable property for a period exceeding 33 years without the prior permission of the Council of Ministers, and they are not allowed to let their premises to tenants.

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## Conclusion

This booklet is intended to give a general description of the key features of Cyprus law as it relates to real estate and property at the time of writing (July 2014). Our website ([www.neocleous.com](http://www.neocleous.com)) is constantly updated and may contain more up to date information.

The aim of this publication is to give a general picture of the legal framework within which Cyprus has developed and exercises its policy on matters of immovable property, particularly where foreign investors are concerned, and the incentives and protection offered to this end. A publication of this nature cannot be an exhaustive guide, and neither this booklet or our website can be relied on as a substitute for proper professional advice and guidance, tailored to individual circumstances.

Andreas Neocleous & Co LLC is the leading property law firm in Cyprus. Over the years we have helped numerous purchasers, both Cypriot and non-Cypriot, to deal with all aspects of acquiring property in Cyprus. Our service is second to none, and costs are modest. We can guide purchasers through the formalities of acquisition and help obtain the necessary permits and approvals. We can also offer comprehensive tax and succession planning advice, to make sure that the acquisition of property is structured in the most appropriate way taking full account of the purchaser's personal circumstances. Please contact Lefkios Tsikkinis or any of the members of the department if you would like a more detailed discussion.

More details of our services can be found at **[www.neocleous.com](http://www.neocleous.com)**