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*Corporate & Legal Consultants*



## Legal Considerations for UK Passport Holders in Cyprus: Real Estate, Residency, Banking, Taxation, and Beyond

Cyprus remains a prominent destination for British nationals due to its favorable climate, tax regime, and close historical ties to the United Kingdom. Following Brexit, the legal and administrative processes for UK citizens in Cyprus have shifted, necessitating updated guidance on key matters such as **real estate, banking, taxation, residency and healthcare**. This article outlines the main legal considerations relevant to UK passport holders seeking to reside, invest, or retire in Cyprus.



## Buying Property in Cyprus: Legal Procedure for UK Nationals

UK nationals are allowed to purchase property in Cyprus, subject to certain restrictions as non-EU buyers. Buyers must apply for permission from the Council of Ministers for property acquisition, typically granted two properties per person/couple.

### Legal Steps in the Property Purchase Process:

**Due Diligence:** Engage a licensed, independent Cypriot lawyer to perform checks on the property, including title deed verification, encumbrances, zoning, and whether the property has proper planning and building permits.

**Reservation Agreement:** A preliminary agreement is signed, and a reservation deposit is paid to secure the property while due diligence is ongoing.

**Contract of Sale:** Once due diligence is completed, a Contract of Sale is drafted and signed by both parties. This must be stamped and filed at the local District Land Registry Office within 6 months to protect the buyer's rights.

**Council of Ministers Approval:** As a non-EU buyer, the purchaser must obtain permission to acquire immovable property in Cyprus. The application is submitted through the District Office and usually approved within two months.

**Stamp Duty and Transfer Fees:** Stamp duty must be paid once the contract is signed and it is the obligation of the buyer. Transfer fees, payable at the time of title deed transfer, vary based on the property's value. If VAT is applicable (usually 19%, or 5% for primary residences under specific conditions), no transfer fees are charged.

**Title Deed Transfer:** If the title deed exists, it is transferred to the buyer's name upon completion of payment and legal checks. In off-plan developments, the title deed may not be available immediately, and the buyer should ensure the contract is lodged with the Land Registry to secure ownership rights.

In conclusion, while Cyprus presents an attractive property investment opportunity for UK nationals, proper legal guidance and careful due diligence are essential to safeguard against risks and ensure a secure transaction.



## Opening a Bank Account in Cyprus for UK Passport Holders

UK citizens may open personal or corporate bank accounts in Cyprus, but due to their third-country status, the process is more stringent. Banks in Cyprus are required to perform enhanced due diligence on non-EU applicants.

### Standard Requirements for Account Opening:

- Valid UK passport
- Recent utility bill or tenancy agreement (proof of address)
- Tax Identification Number (TIN) and Tax Declaration
- Recent bank statements
- CV and source of wealth/funds documentation
- Reference letter from a recognized banking institution
- In-person interview at the bank (typically required)

For corporate bank accounts, additional documents such as company incorporation certificates, shareholder certificates, and certificates of director and secretary are required.

If the individual is not a Cyprus resident, bank accounts are opened through International Business Units (IBUs).

## Tax Treatment in Cyprus for UK Nationals

The abolition of the UK's non-domiciled (non-dom) tax status—announced in the Spring Budget 2024 and set to come into full effect by April 2025—has prompted many high-net-worth individuals to explore alternative jurisdictions. Cyprus has emerged as one of the most attractive destinations for former UK non-doms, thanks to its favourable tax regime, flexible residency options, and strategic location within the EU. UK passport holders who become tax residents in Cyprus can benefit significantly from its competitive tax framework.

As of 2024, an individual is considered a tax resident of Cyprus if they spend more than 183 days in the country per year, or alternatively, under the “60-day rule,” provided certain conditions are met. Notably, Cyprus does not tax foreign-source dividends or interest income for non-domiciled residents and imposes no inheritance tax. Furthermore, double taxation relief between Cyprus and the UK is ensured through the Double Taxation Agreement (DTA), meaning that income will not be taxed twice in both jurisdictions.

## Residency in Cyprus

### A. Temporary Residence (Pink Slip/Visitor Visa)

UK passport holders wishing to stay in Cyprus for more than 90 days must apply for a temporary residence permit, commonly referred to as the Pink Slip. This visa allows non-EU nationals to reside in Cyprus for up to one year and is renewable on an annual basis. The Pink Slip does not permit employment and is suitable for retirees, individuals with independent income, or accompanying family members.

#### Requirements for Pink Slip Application:

- Valid UK passport
- Rental agreement
- Proof of sufficient income from abroad being €24,000 per year for the main applicant plus €6,000 for spouse and €2,400 for each child (bank statements, pension slips, tax declaration)
- Private health insurance valid in Cyprus
- Criminal record certificate from ACRO Criminal Records Office
- Application form MVIS3 and associated government fees
- Medical Examinations in Cyprus

### B. Permanent Residency (Category F, Regulation 6(2) Fast-Track Permanent Residency)

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UK citizens seeking long-term residence can apply for permanent residency under two main categories:

**Category F** This is suitable for retirees or individuals with a secured annual income (not from employment in Cyprus). Applicants must demonstrate a stable income of approximately €10,000 annually per individual, plus additional amounts for dependents. Category F applications are processed slowly and may take around 2-4 years.

**Regulation 6(2) Fast-Track Permanent Residency** This expedited process allows UK nationals to secure permanent residency through investment.

Applicants must:

- Invest at least €300,000 (plus VAT) in a new residential property
- Prove a secure annual income of at least €50,000 (plus €15,000 for spouse and €10,000 per child)
- Maintain a clean criminal record
- Hold private health insurance in Cyprus

Permanent residency under Regulation 6(2) is typically granted within 1 year and includes the applicant's spouse and dependent children up to age 25.

## GESY – The General Healthcare System of Cyprus

GESY (ΓΕΣΥ) is the national healthcare system of Cyprus, offering universal healthcare to residents. UK citizens who are legal residents and contribute to the Cypriot social insurance system are entitled to GESY benefits. Pensioners who receive a UK state pension and hold an S1 form may also register with GESY, ensuring access to comprehensive healthcare services. Private health insurance remains a requirement for temporary residence applicants, especially during the initial immigration process.

## UK Pensioners Living in Cyprus

British retirees are a significant demographic in Cyprus. UK state pensions can be received in Cyprus, and under the Cyprus-UK Double Taxation Agreement, pensions are generally only taxed in Cyprus if the recipient is a tax resident there. Pensioners may also benefit from the non-domicile tax regime, which exempts them from defense contributions on dividends and interest. Access to healthcare through GESY (via S1 or social insurance contributions) and favorable climate and lifestyle factors make Cyprus a desirable retirement destination.

Cyprus offers a welcoming legal and economic environment for UK nationals post-Brexit, but proper legal guidance is essential to navigate the complexities of banking, residency, taxation, and healthcare. Staying informed and compliant with Cypriot laws will ensure a smooth transition whether one is relocating, investing, or retiring on the island.