

**MINISTRY OF FINANCE - TAX DEPARTMENT**  
**DECLARATION FOR EXEMPTION OF AN INDIVIDUAL FROM THE DEDUCTION OF**  
**SPECIAL DEFENCE CONTRIBUTION**

(Section 3(2)(b) of the Special Contribution for the Defence of the Republic Law No.117(I) / 2002)

***Before completing this Declaration, please read the notes on page 2.***

1. Name of Institution: .....		
2. Tax Identification Code / Company Registration Number: .....		
<b>A. INDIVIDUAL'S DETAILS</b>		
1. Full Name (Name and Surname)		
2. (a) Identity Number: .....	(b) Expiry Date: .....	(c) Issuing Authority: .....
3. (a) Passport Number: .....	(b) Expiry Date: .....	(c) Issuing Authority: .....
4. Number and Country of Foreign Tax Number: .....	5. Cyprus Tax Identity Number: .....	
6. Permanent Residence Address: .....		
7. <input type="checkbox"/> There are / <input type="checkbox"/> There aren't any joint beneficiaries/ owners of the asset producing the income.		
<b>B. QUESTIONNAIRE FOR ASCERTAINING RESIDENCY</b>		
<i>Tick in the appropriate box</i>		<i>Tick in the appropriate box</i>
1. Is your permanent home: Privately owned <input type="checkbox"/> Rented <input type="checkbox"/>		2. Do you own a private home in Cyprus: Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Business Address: .....		
4. (a) Description of Economic Activity: .....		
(b) Name and Address of Employer: .....		
5. When you are in Cyprus you reside at: .....		
(a) a Hotel <input type="checkbox"/>		(b) Rented Premises <input type="checkbox"/>
(c) Owned Premises <input type="checkbox"/>		(d) friends or relatives <input type="checkbox"/>
6. <input type="checkbox"/> I expect / <input type="checkbox"/> I do not expect to be in Cyprus for a period up to 183 days during any calendar year and the days of my arrivals and Departures to and from Cyprus during the previous calendar year were:		
<b>Arrival Date</b>	<b>Departure Date</b>	<b>Days of stay</b>
.....	.....	.....
.....	.....	.....
.....	.....	.....
<b>Total days of stay:</b>		<u>.....</u>
<b>C. DECLARATION AND UNDERTAKING (It is a criminal offence to submit an incorrect or false declaration)</b>		
(tick where applicable only)		
1 - I, the aforesaid person, am tax resident of Cyprus from ..... and I am beneficially entitled to the above Interest / dividends / rents, hereby declare that:		
<input type="checkbox"/> 1.1 I have been a tax resident of Cyprus for less than 17 of the last 20 years before the current tax year and		
<input type="checkbox"/> 1.2 in spite of the fact that I have my domicile in Cyprus		
<input type="checkbox"/> (a) I have my domicile of choice in a country other than Cyprus and I was non-tax resident of Cyprus for period of at least 20 consecutive years before the current tax year,		
from year ..... to year ....., or		
<input type="checkbox"/> (b) I have been a non-tax resident of Cyprus for at least 20 consecutive years immediately before the year 2015.		
<input type="checkbox"/> 1.3 I do not have my domicile in Cyprus.		
and I am entitled to be exempted from Special Contribution for Defence until the year .....		
2 - I, the aforesaid person beneficially entitled to interest / dividends/ rents, declare that:		
<input type="checkbox"/> (a) I was non-tax resident of Cyprus [Note 4] during the current tax year and I also intend to remain so during the current year and following years and/or		
<input type="checkbox"/> (b) the above income arises from approved activities as a ship-owner / charter / ship management or from working capital of such activities.		
As from year ....., I, the holder of the aforesaid asset/s and the person beneficially entitled to the income therefrom hereby declare that I am entitled to be exempt from Special Contribution for Defence. If I am no longer entitled to this exemption I shall inform the above organisation, in writing, within one month from the date of the change in circumstances, and shall authorise them to deduct any Special Contribution for defence on the income, with interest from the date specified in the law, from the income I am entitled to.		
Signature .....		Date: .....

## NOTES

If you cease to have your tax residency outside Cyprus you must IMMEDIATELY inform the Institution paying you the income.

### 1. Definition

Institutions are in the case of:-

- Interest – Individuals and Legal persons that pay or credit interest,
- Dividends – Legal persons (companies) that pay dividends and
- Rents – Companies, partnerships, the republic and local authorities that pay or credit rent

### 2. Who and for what reason is responsible for the completion of this Declaration

This declaration must be completed by

- who are entitled to interest / dividends / rents and are not tax residents or domiciled in Cyprus
- who have approved activities as a ship-owner / charter / ship management as these are defined in the Merchant Shipping (Fees and Taxing Provisions) Law of 2010 (Law 44(I)/2010), as amended, and who are entitled to interest / dividends / rents with which they will inform the institutions about the respective case accordingly, so as no Special Contribution for defence is deducted from interest / dividends / rents.

Institution who pay or credit interest / dividends / rents are obliged by the Special Contribution for the Defence of the Republic Law N.117(1) of 2002, as amended, to deduct special contribution for the defence at the rate applicable on the date that the interest is paid or credited to Cyprus residents.

### 3. Where to submit the Declaration

This Declaration, once completed and signed, must be submitted to the Institution from which you receive / are credited with interest / dividends / rents. The Institution undertakes to permit the Commissioner or his/her authorised representative to examine the present Declaration at its premises or upon the Commissioners request, to submit to the Commissioner the afore-mentioned or a true copy of them.

### 4. Who are considered to be Cyprus Tax Residents?

Cyprus tax residents are considered to be Individuals who meet either the 183-day-rule, or the 60-day-rule.

- 183-day-rule - an individual resides in Cyprus for one or more periods which exceed in total 183 days during a tax year.
- 60-day-rule (applies from the year 2017 onwards) - an individual complies with all the conditions below:
  - (i) stays in Cyprus for at least 60 days
  - (ii) does not stay for more than 183 days in another state
  - (iii) is not a tax resident of another state
  - (iv) exercises any business in Cyprus and/or renders salaried services in Cyprus and/or holds an office in a Cyprus tax resident company
  - (v) has a permanent residence in Cyprus which owns or renders.

### 5. Who are considered to be domiciled in Cyprus?

Domicile in Cyprus is set in accordance with the provisions of the Wills and Succession Law no.75/70, as amended.

Individual are not considered to have their domicile in Cyprus when in Part C they have ticked 1.1 and additionally have ticked any of the following

- 1.2 και 1.2(a)
- 1.2 και 1.2(b)
- 1.3

### 6. Ascertaining of Residence / Domicile

The Tax Department has the right to request evidence in respect of parts B and C e.g. hotel receipts, rental agreements, property title for residence, copies of passports showing arrival and departure stamps, airplanes or other tickets, boarding passes.

### 7. Other information

The rates for special contribution for the defence are available on the Tax Department website, [www.mof.gov.cy/tax](http://www.mof.gov.cy/tax) in both the "Legislation / laws" section and "Tax Rates" section. Please note that some pages on the site are only available in Greek.

### 8. An incorrect or false declaration is a criminal offence

In accordance with the provisions of the Assessment and Collection of Taxes Law 4/78, as amended, a false declaration is a criminal offence and upon conviction is subject to a fine of €10 000 and/or to imprisonment of up to 5 years.

### 9. The Processing of Personal Data (Protection of Individuals) Law of 2001

The Tax Department maintains a Registry with which the personal data of Cyprus tax payers is filed, for the purpose of implementing Tax Legislation.

A publication was put through the Media relating to the operation of the Registry, in accordance with the Processing of Personal Data (Protection of Individuals) Law of 2001.

According to the above, the Department may use the data contained in the Declaration in order to :

- Check the accuracy of information
- Prevent or detect crime
- Protect public funds.

### 10. KEEP A COPY OF THIS DECLARATION FOR YOUR RECORDS