

Is Cyprus still an Attractive Destination for Family Offices?



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During the last few years, family offices worldwide, encountered a number of challenges and had to deal with the rising of new trends. Such trends and challenges are spanning from geopolitical changes, the imposition of sanctions and restrictive measures, greater demand for transparency and reporting, to the rapid change of technology, the increasing investment in digital assets, as well as the new focus on sustainability, diversity and the societal and environmental impact of corporate practices.

Amidst the above-mentioned shifting tides, the question of where to set up a family office is becoming more relevant.

Is **Cyprus** an attractive jurisdiction to set up a family office?

- **Employment and Tax Framework:**

When deciding where to set up (or relocate) a family office, it is essential to consider both the strength of the local employment legal framework and the benefits of the applicable tax regime. Cyprus stands out as an attractive option, particularly for executives and senior management personnel seeking to relocate and work in a stable and advantageous environment. EU nationals can freely move and work in Cyprus (having simply to register with the authorities), while there are different options pursuant to which third country nationals can relocate and work on the island.

Expatriate relief is available, whereby 50% of the gross emoluments (provided that such emoluments are over EUR 55,000 per year) are allowed to be deducted from taxable income for individuals that were not Cyprus tax residents prior to the commencement of their employment in Cyprus.

Furthermore, new residents have the opportunity to obtain the "non-domiciled" tax status. This designation provides additional tax exemptions – namely Cyprus tax residents that are considered as Non-Doms are exempt from the Special Defence Contribution (SDC). SDC is levied on passive income (more specifically of dividends, passive interest and rent). Once obtained the Non-Dom status can be maintained for 17 years.

Corporate tax rate is currently at 12.5%. Cyprus is presently undergoing a tax reform. In February 2026 it was announced that the applicable corporate tax rate will be increased to 15%; however, it was made clear that other beneficial provisions, such as the Notional Interest Deduction, IP tax regime, tonnage tax system, and the Non-Dom regime will be retained. Furthermore, the tax-free threshold for personal income taxation will be increased and the Cyprus tax residency under the 60-day rule, will be expanded.

- **Legal System:**

The Cyprus legal system, which is based on common law, is transparent, stable and modern. Moreover, its corporate law regime is flexible and it allows 100% foreign participation in Cyprus incorporated entities.

Also, Cyprus recognizes the concept of the trust and at the same time the Cyprus trust regime, including the Cyprus International Trusts Law, is considered one of the most modern trust regimes in Europe.

- **Other usual reasons:**

English is widely spoken, Cyprus is member of the EU and the Eurozone, skilled staff, modern infrastructure, tested regulatory framework, political stability, safety, and of course the Mediterranean lifestyle, the sea, the and the sun!

- And finally, **location location location...**

We, at Patrikios Legal share a deep knowledge, understanding and experience in relation to the needs and concerns family offices face today. We are here to guide clients throughout the process, from the initial structuring and setting up, advising on trust law issues, assisting in relation to day-to-day matters bank account opening, linking the family office with the necessary professionals and advisors, wealth managers, achieving long-term goals, and engaging in ESG and CRS activities.



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