

The Income Tax (Amendment) Law of 2026 is issued by publication in the Official Gazette of the Republic of Cyprus in accordance with Article 52 of the Constitution.

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LAW AMENDING THE INCOME TAXATION LAWS OF 2002 TO (NO. 4) OF 2025

Summary
title.

118(1) of 2002
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162(1) of 2003
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179(1) of 2020
180(1) of 2020
31(1) of 2021
178(1) of 2021
193(1) of 2021

1. This Law shall be cited as the Income Tax (Amendment) Law of 2026 and shall be read together with the Income Tax Laws of 2002 to (No. 4) of 2025 (hereinafter referred to as "the principal law") and the principal law and this Law shall be cited together as the Income Tax Laws of 2002 to 2026.

31(1) of 2022
 77(1) of 2022
 89(1) of 2022
 101(1) of 2022
 112(1) of 2022
 121(1) of 2022
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 164(1) of 2024
 37(1) of 2025
 47(1) of 2025
 219(1) of 2025
 244(i) of 2025.

Amendment
 of article 8
 of the basic
 law.

2. Article 8 of the basic law is amended as follows:

(a) By adding, immediately after subsection (214), the following new subsection:

"(218) twenty-five percent (25%) of the remuneration from any employment in the Republic or of the profits of an individual from the exercise of any business in the Republic, with a maximum exemption amount in the tax year of twenty-five thousand euros (€25,000)

It is understood that the provisions of this subsection apply with respect to a person who-

- (i) except for the year in which he commences employment or carries on business in the Republic, he is a resident of the Republic and
- (ii) began to be employed or to carry on a business in the Republic from 1 January 2025 up to and including the year 2030 and
- (iii) during the first twelve (12) months following the date of commencement of employment or business in the Republic, he had remuneration from employment in the Republic or profits from business in the Republic that exceeded thirty thousand euros (€30,000) and
- (iv) was not a resident of the Republic during the seven (7) tax years preceding the year in which he began to be employed or carry on a business in the Republic and
- (v) was a resident of the Republic in any year preceding the period of seven (7) tax years specified in paragraph (iv); and
- (vi) meets at least one of the following conditions.

(aa) He is a holder of a recognised university degree, as recognised by the Cyprus Council for the

Recognition of Academic Qualifications in terms of equivalence, and was employed in full-time employment outside the Republic by an employer not resident in the Republic for a total period of at least thirty-six (36) months within the period of eighty-four (84) months preceding the month in which he began to be employed or to carry on business in the Republic; or

(bb) was employed in full-time employment outside the Republic by an employer not resident in the Republic for a period of eighty-four (84) months preceding the month in which he began to be employed or to carry on business in the Republic:

Provided further that -

- (1) exemption is granted in the year in which the person begins to be employed or to carry on a business in the Republic and in the immediately following year.

next six (6) tax years, provided that his remuneration from employment in the Republic or his profits from carrying on a business in the Republic exceed thirty thousand euros (€30,000) for each tax year

(ii) in a case in which the exemption provided for in this subsection is granted, the exemption provided for in subsection (214) is not granted

(iii) the exemption is granted to each individual, once in a lifetime, for the years in which the provisions of this subsection apply." and

(b) by replacing in paragraph (1) of the third proviso to subsection (234), the phrase "in subsections (21), (214) and (23)" (second and third lines), with the phrase "in subsections (21), (214), (218) and (23)".

Amendment of article 208 of the basic law.

3. Article 208 of the principal law is amended by replacing in the proviso to subsection (7) the phrase "provided for in subsections (21) and (23)" (second and third lines), with the phrase "provided for in subsections (21), (214), (218), (23) and (234)".

Amendment of article 20C of the basic law.

4. Article 20C of the principal law is amended by replacing in the proviso to subsection (7) the phrase "provided for in subsections (21) and (23)" (second and third lines), with the phrase "provided for in subsections (21), (214), (218), (23) and (234)".

Entry into force of this Law.

5. The force of this Law is deemed to have begun on January 1, 2025.

Charalambos Viniatis