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# Company formation in Cyprus

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## Company formation in Cyprus



Flag




Coat of arms

| | |
|---|---|
| **Common form** | Private company limited by shares (Ltd) [1] |
| **Registry** | Registrar of Companies [1] |
| **Minimum capital** | No statutory minimum [1] |
| **Directors** | 1 director and a company secretary [1] |
| **Local director** | Not required by law; management in Cyprus for tax residency [1] |
| **Corporate tax** | 15% (since 1 January 2026) [2] |
| **VAT / sales tax** | 19% [2] |
| **Typical timeline** | Usually one to two weeks [1] |
| **Tax treaties** | 67 treaties [7] |
| **Currency** | Euro (EUR) |

**In short:** To set up a company in Cyprus, most founders form a private company limited by shares, registered with the Registrar of Companies. [1] Minimum capital: no statutory minimum. Corporate tax: 15% (since 1 January 2026). Registration: usually one to two weeks (as of November 2026).

Cyprus is an EU member state with a common-law-based company law. The **private company limited by shares** is the standard vehicle for trading and holding companies. The country's tax system was overhauled with effect from **1 January 2026**.

## Business structures

Most founders in Cyprus form a private company limited by shares, registered with the Registrar of Companies. [1] Other forms are listed below.

- **Private company limited by shares** – standard vehicle
- **Public company** – for listed and larger companies
- **Partnerships** – general and limited
- **Branch of a foreign company** – registered overseas company

## Requirements

Minimum share capital in Cyprus (2026): no statutory minimum. Directors required: 1 director and a company secretary. Local resident director: not required by law; management in Cyprus for tax residency. [1]

- Approval of the company name by the Registrar.
- A memorandum and articles of association, prepared by a Cyprus lawyer.
- At least one director, one shareholder and a company secretary.
- A registered office in Cyprus.
- Beneficial owners entered in the register of beneficial owners.

## Registration process

Typical time to register a company in Cyprus (2026): usually one to two weeks. [1] The usual steps are:

1. Apply for name approval.
2. Have a Cyprus lawyer prepare and file the memorandum and articles.
3. Receive the certificate of incorporation and other registration certificates.

4. Register with the Tax Department for a tax identification code, and for VAT if required.
5. Open a bank account; for tax residency, management and control should be exercised in Cyprus.

## Taxation

**The corporate tax rate in Cyprus in 2026 is 15% (since 1 January 2026).** [2] **Standard VAT or sales tax: 19%.** [2]

| Tax | Rate and notes |
|---|---|
| Corporate income tax | 15% from 2026 (previously 12.5%) |
| Dividends received | Generally exempt for Cyprus holding companies |
| VAT | 19% standard rate |

## Ongoing compliance

**Annual compliance in Cyprus:** Companies file an annual return and audited financial statements, and a corporate tax return. [1]

## Recent changes

The 2026 tax reform raised corporate tax from 12.5% to 15%. It also abolished stamp duty and the deemed dividend distribution rules for profits from 2026, and cut the defence contribution on dividends for Cyprus-domiciled individuals from 17% to 5%.

## Double tax treaties

Cyprus has 67 treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

### Domestic withholding tax on payments to non-residents

| Dividends | Interest | Royalties |
|---|---|---|
| 0% | 0% | 0/10% |

No withholding tax on dividends or interest to non-residents, and none on royalties for rights used outside Cyprus (10% for rights used in Cyprus, 5% for films). Higher rates apply to payments to EU-blacklisted jurisdictions, and from 2026 a 5% withholding tax applies to dividends paid to associated companies in low-tax jurisdictions.

### Treaty rates on payments from Cyprus

Maximum withholding tax Cyprus charges on payments to a company resident in each country covered by this wiki. Where several rates are shown (for example 5/15%), the lower rate applies only if conditions are met, usually a minimum shareholding, a holding period or a qualifying recipient such as a bank or pension fund. Royalty column shows the rate for rights used in Cyprus; royalties for rights used abroad are not taxed.

| Recipient's country | Dividends | Interest | Royalties |
|---|---|---|---|
| Estonia | 0% | 0% | 0% |
| Georgia | 0% | 0% | 0% |
| Germany | 0% | 0% | 0% |
| Ireland | 0% | 0% | 0/5% |
| Netherlands | 0% | 0% | 0% |
| Poland | 0% | 0% | 5% |
| Singapore | 0% | 0% | 5/10% |
| Switzerland | 0% | 0% | 0% |
| United Arab Emirates | 0% | 0% | 0% |
| United Kingdom | 0% | 0% | 0% |
| United States | 0% | 0% | 0% |

Rates from PwC Worldwide Tax Summaries (reviewed 4 August 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules; check the treaty text before relying on a rate.

# Frequently asked questions

**How long does it take to register a company in Cyprus?**

Typical registration time in Cyprus: usually one to two weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

**What is the minimum share capital for a company in Cyprus?**

Minimum share capital in Cyprus: no statutory minimum (as of November 2026).

**What is the corporate tax rate in Cyprus in 2026?**

The corporate tax rate in Cyprus in 2026 is 15% (since 1 January 2026). See the Taxation section for reduced rates and other taxes.

**Can a foreigner own 100% of a company in Cyprus?**

Yes. There is no nationality requirement for shareholders. Local director rule in Cyprus: not required by law; management in Cyprus for tax residency.

**How many tax treaties does Cyprus have?**

Cyprus has 67 treaties. It has a treaty with each of the other 11 countries whose treaty rates this wiki tabulates.

**What withholding tax applies to dividends paid from Cyprus?**

Cyprus charges no withholding tax on dividends under domestic law. See the treaty table in the Double tax treaties section.

**What changed in Cyprus in 2026?**

Corporate tax rose from 12.5% to 15%, stamp duty was abolished, deemed dividend distribution rules were abolished for profits from 2026, and the defence contribution on dividends for Cyprus-domiciled individuals fell from 17% to 5%.

**Does a Cyprus company need to be managed from Cyprus?**

Not to be registered, but to be tax resident in Cyprus its management and control should be exercised there.

## Official registries and resources

- Department of Registrar of Companies and Intellectual Property
- Tax Department

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

## See also

- Comparison of company formation by country
- Company formation in the United Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- All countries

## References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.


1. Official Department of Registrar of Companies and Intellectual Property . Republic of Cyprus. Accessed November 2026.
2. Official Tax Department . Republic of Cyprus. Accessed November 2026.
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4. Cyprus enacts major tax reform legislation . EY Global Tax News. Accessed November 2026.
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6. Business registers in EU countries: Cyprus . European e-Justice Portal. Accessed November 2026.
7. Cyprus: Corporate – Withholding taxes (reviewed 4 August 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.

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