



Capital Gains Tax

- Capital gains tax is paid on gains arising from the sale of the property at a rate of 20%, with the first €17,000 being exempt for each person, as investment allowance.
- Proceeds from the sale, less the cost of the property, professional and legal fees, commission, interest paid, inflation allowance and investment allowance. The investment allowance is granted only once, unless it has not been exhausted at the first sale, in which case any balance would be carried forward.



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Capital Gains Tax (...continued)

- Gains from the sale of a dwelling house are exempt up to €85,000 in total if the owner resides in it continuously for at least five years prior to disposal.

The following categories are exempted from Capital Gains Tax:

- Transfers by reason of death.
- Donation between relatives up to the third degree of kindred.
- Donation to Limited Companies, all shareholders of which are members, and continue for 5 years after the donation to be members, of the family donor.



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Capital Gains Tax (...continued)

- ❑ Donations from family Companies to their shareholders, but only in cases where the property gifted was originally acquired by the Company also by way of gift.
- ❑ Donations to Charitable Institutions or to the Republic of Cyprus.
- ❑ Exchanges of permanent residence.
- ❑ Compulsory acquisitions.



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