



ARETI CHARIDEMOU  
LAW FIRM

## **Regulation of the Establishment and Operation of Hotels and Touristic Accommodation (Amending) Law 2020 (9(I)/2020)**

Airbnb and other platforms providing short-term accommodation in Cyprus have become very popular. In light of this, a new Law came into force regulating short-term touristic and self-catering accommodation. The aim is to upgrade the quality these services offer, increase public revenue and incentivise the number of short-term rentals and tourism in remote locations such as agro-touristic locations. Below the requirements and further information:

### **Requirements of the New Amending Law for Airbnb in Cyprus**

- Registration with the Tax Department (Tax identification No. of the Operator or VAT number, where provided for in the relevant legislation);
- The relevant details of the property;
- The insurance coverage of the establishment (at least: (i) insurance against any risk and especially fire and (ii) public liability insurance);
- Building Permit or Town Planning Permit;
- Utility bill of the establishment issued by the Cyprus Electricity Authority - EAC or other electricity provider, that bears the unique number of the property;
- In the case of a natural person, a photocopy of their identity card (both sides) or passport depending on the document declared in the application or in the case of a legal entity, a photocopy of the certificate of incorporation of the legal person;
- The application must be accompanied with an affidavit by the applicant.

### **The Fees**

The fee for registration will amount to €222 (Two Hundred and Twenty-Two Euro) for a period of 3 (three) years. This amount is for each housing unit and a serial number will be assigned accordingly.

### **Next Steps**

Deputy Ministry of Tourism will examine each application within 2 months. If successful, shall grant a Special Operating Label and a Registration Number, which should be displayed and declared in all transactions.

The registration permit must be renewed every three (3) years, within three (3) months before the expiration of each registration term. As of 01.01.2022, it is prohibited to post on an online platform and/or advertise and/or lease such establishments, without having acquired a registration number and a valid registration permit.

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## **The Categories**

- Fully furnished villas, touristic and fully furnished houses, and apartments (Annex V of the Law);
- Specific conditions and standards must be met, following the categories mentioned above (Annex V of the Law).

## **Safety Requirements**

A relevant safety information form should be displayed by the Operator in a prominent place within the self-service accommodation establishment, which should include the following information and equipment:

- Display of the Emergency Telephone Number (112 - Police, Fire and Medical Emergency Services);
- Display of the full address of the accommodation establishment;
- Display of the telephone number of the personal responsible for the accommodation establishment;
- A general-purpose fire extinguisher;
- A fire blanket;
- A first aid kit.

## **Violating the law can one be guilty of up to 1-year imprisonment and/or a fine not exceeding €5,000**

It is prohibited to otherwise provide self-catering accommodation services unless the requirements are met. It is important to emphasize that any units being advertised on platforms such as Airbnb and Booking.com which have not been registered on the platform can be guilty of an offense carrying a sentence of up to 1 year imprisonment and/or a fine not exceeding €5,000.

## **Tax**

Income tax will be applicable on all income generated through the self-catering unit. If the service provider is a foreign tax resident, income tax will still be applied in Cyprus due to the fact that it is income generated in the country through immovable property. The only instance where this might not apply is if there are any Tax Treaties in place between the countries which can offer relief on taxation.

**We remain available to assist you further with the regulations and registration of your property in Cyprus.**

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