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The Company Secretary of Your Cyprus Ltd.

Legally required from day one. But since the 2026 tax reform, the role does something quite different from what most advisers will tell you.

Cap. 113 s.171 | HE32 & UBO | Substance & tie-breaker | Fees | Checklist

Cyprus-Consult · HE465399 · Kosta Monti 3, 8025 Paphos, Cyprus
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In 60 seconds

- Every Cyprus Ltd must have a secretary **at all times**. Cap. 113, section 171. No exemption, not even for dormant or holding companies.
- Only where there is **one member and one director** may that director also be the secretary. In every other configuration it must be a separate person or entity.
- Since **1 January 2026** you are a Cyprus tax resident by virtue of incorporation alone. So the secretary no longer proves you are in Cyprus. It keeps Belgium or the Netherlands out.
- A secretary who only files is a mailbox. A secretary who convenes, minutes and corresponds is **evidence**.
- Budget **€500 to €800 per year** for full base compliance.

01 What the company secretary is

The secretary is an officer of your company, not an administrative assistant. The name and address appear publicly on the register of the Registrar of Companies.

Every company incorporated under the Cyprus Companies Law (Cap. 113) has a secretary. The role may be held by:

- \25B8 **A natural person** aged 18 or over, with no convictions for fraud or corporate offences and no bankruptcy order in force;
- \25B8 **A legal entity** holding a valid registration number.

In practice, foreign shareholders almost always appoint a professional firm: a law firm, an accountancy practice or a tax advisory office that provides the secretary function as an ongoing service.

> **A note on terminology**
>
> In Cyprus the statutory term is secretary. “Corporate secretary” is the term used in Singapore, Hong Kong and the United States for exactly the same officer. Both refer to the office created by section 171. Neither should be confused with an executive assistant.

Supervision and licensing

The law imposes no separate secretary licence on individuals. Firms offering the service commercially are supervised.

WHO SUPERVISES WHOM

Aspect	Requirement or practice
Legal basis	Companies Law Cap. 113, section 171. Every company must have a secretary at all times.
Fit and proper	Minimum age 18, no bankruptcy order in force, no conviction for fraud or corporate offences.
Professional licence	Not required by law for individuals. Firms operate under their own regulator: CySEC for administrative service providers, the Cyprus Bar Association for law firms, ICPAC for accountancy firms.
AML obligation	Professional service providers are obliged entities under Cypriot anti-money-laundering legislation and must complete full KYC on every client.
Registration	The name and address of the secretary are publicly visible on the electronic register of the Registrar of Companies.

02 Is it mandatory, and what if you have none?

> **Yes.** Under section 171 of Cap. 113, every Cyprus Ltd must have a secretary at all times. There is no exemption for dormant companies, holding structures or companies without staff. The obligation starts at incorporation, not at first revenue.

The consequences of not having one are immediate and practical rather than theoretical:

\25B8 **No Certificate of Good Standing.** Banks, payment institutions and foreign registries all ask for it. It cannot be issued while the officer file is incomplete.

\25B8 **Blocked filings.** The Annual Return (HE32) must be signed by a director or the secretary. No secretary means a broken filing chain.

\25B8 **Escalation to strike-off.** Persistent non-compliance runs through the Registrar's warning procedure and ends in strike-off under section 327 of Cap. 113.

\25B8 **Director exposure.** Directors and the secretary are jointly responsible for filing the company's particulars correctly.

> **The most common mistake**
>
> Owners assume that a dormant company or a pure holding vehicle “needs nothing”. It does not work that way. Even without activity, the HE32 filing, the annual UBO confirmation and the secretary function all remain mandatory. Penalties accumulate against a company generating no revenue at all.

What has actually been abolished

The €350 annual company levy payable to the Registrar was abolished with effect from 2024. If a provider still charges you for “arranging the annual levy”, they are billing for a task that no longer exists. Since 1 January 2026 stamp duty has also been abolished entirely, which reduces the cost of appointment documents, powers of attorney and resolutions.

03 Can a director also be the secretary?

Only in a private company with **one member and one director**. Section 171 provides that a sole director shall not also be the secretary, with an express exception for the single-member company. Where there are two or more directors, nobody is a "sole director", so one of them may hold the secretary role.

This is the most misunderstood point in the Cyprus market. Several websites ranking well in Google state precisely the opposite. The full matrix follows.

PERMITTED DIRECTOR AND SECRETARY COMBINATIONS

Configuration	Permitted?	Basis	Value to your substance file
1 director + 1 shareholder (same person)	Yes	Statutory exception, Cap. 113 s.171	Limited Satisfies the law. Proves nothing about where the company is managed.
1 director + multiple shareholders	No	The exception applies only where there is one member	Not applicable
1 director + external professional secretary	Yes, recommended	Standard arrangement for foreign owners	High Demonstrable local administrative management.
2 directors, one of them also secretary	Yes	Neither of them is a sole director	Limited Legally in order, substance file unchanged.
2 directors + external professional secretary	Yes, optimal	The board decides, the secretary administers	Maximum Strongest position in a foreign challenge.
2 directors, both appointed secretary	No	Only one secretary may be appointed	Not applicable

A detail that matters in practice

Section 173 prevents one person from satisfying a requirement in two capacities at once. Where a document must be signed by a director and the secretary, the same individual cannot sign twice wearing two hats. In a company with two directors where director 1 is also secretary, director 2 signs as director.

Legal compliance is not substance

A director who appoints himself as secretary satisfies the law but does not resolve the substance question. If that director is resident abroad and the administration is effectively maintained elsewhere, the arrangement offers no protection against re-characterisation by a foreign tax authority.

04 What the secretary actually does

The role splits into what the law requires and what a foreign inspector wants to see. Most competitors describe only the first half.

Statutory duties

- Maintain the register of members and the register of directors and secretaries.
- Prepare and retain minutes of board meetings and general meetings.
- File the Annual Return (HE32) with the Registrar, together with the audited financial statements.
- Maintain the UBO register: within 90 days of incorporation, within 45 days of any change, and confirm annually between 1 October and 31 December.
- File statutory changes: name, registered office, officers, shareholdings.
- Retain the Certificate of Incorporation and the Memorandum and Articles at the registered office.

Duties for substance and management and control

- Convene and minute board meetings in Cyprus, or document the participation of Cyprus-resident directors.
- Ensure accounting books and records are physically retained in Cyprus for at least six years.
- Manage inbound and outbound correspondence with the Tax Department, Social Insurance and the Registrar.
- Execute powers of attorney and corporate documents on behalf of the company, within the authority granted.
- Coordinate with the accountant or auditor on the annual accounts and the corporate tax return (IR4).
- Flag compliance risk to the board before it becomes a penalty.

The point in one line

A secretary who works through the first list only is a filing agent. A secretary who works through both is evidence.

The three UBO deadlines that most often go wrong

UBO REGISTER: DEADLINES AND PENALTIES

Obligation	Deadline	Note
Initial registration	Within 90 days of incorporation	Applies to dormant companies as well.
Report a change	Within 45 days	Any change in beneficial ownership or control.

Obligation	Deadline	Note
Annual confirmation	1 October to 31 December	Mandatory even if nothing has changed. This is the one most often forgotten.
Penalty for late filing	**€100 on day 1, then €50 per day**	**Capped at €5,000, charged to the company itself.**

The UBO register has not been publicly accessible since January 2023. Access is limited to competent authorities, obliged entities and parties with a demonstrated legitimate interest.

05 The 2026 reform changed the why

> Since **1 January 2026** a company incorporated under the Cyprus Companies Law is automatically treated as a Cyprus tax resident, unless a double tax treaty provides otherwise. The former condition that the company must not be tax resident elsewhere has been removed. Management and control no longer gets you into Cyprus. It keeps another country out.

Parliament approved the reform on 22 December 2025. Publication in the Official Gazette followed on 31 December 2025, with effect from 1 January 2026. Corporate income tax rose from 12.5% to 15% at the same time.

Most advisers have not updated their language. This is how the mechanism now works:

1. **You incorporate in Cyprus.**
   Cyprus treats you as tax resident. No substance argument is required. Companies that have transferred their registered office to Cyprus also count as incorporated there.
2. **Your home state applies its own test.**
   Belgium, the Netherlands, Germany and France each assess place of effective management under their own criteria, case law and evidential standards. The underlying OECD principles are shared. The thresholds are not.
3. **Both states claim you.**
   The company is dual resident.
4. **The treaty tie-breaker decides.**
   In practice it turns on place of effective management.
5. **Evidence settles it.**
   Who decided, where they were sitting, on what date, and what was recorded at the time.

> **Why this makes your secretary more important, not less**
>
> Before 2026, substance was how you got into Cyprus. Now it is the only thing standing between you and a dual-residence assessment. The whole contest has moved to the tie-breaker, and there the paper trail is the entire case. That trail is exactly what a working secretary produces.

What else the reform changed

\25B8 Corporate income tax from 12.5% to **15%**.

\25B8 Special Defence Contribution on actual dividend distributions from 17% to **5%**.

\25B8 The deemed dividend distribution is abolished for profits from 2026 onwards.

\25B8 **Stamp duty abolished entirely** from 1 January 2026.

\25B8 The IP Box survives: an 80% deduction on qualifying profit, which at 15% produces an effective rate of **3%**.

More on this in our overview of the Cyprus Tax Reform 2026 and on our page about the Cyprus IP Box regime.

06 Your residency profile sets the weight

How much your secretary matters depends on how much time you spend in Cyprus yourself. The less present you are, the heavier the administrative anchor weighs.

WEIGHT OF THE SECRETARY ROLE BY RESIDENCY PROFILE

Aspect	60-day rule	183 days	Permanent resident
Presence in Cyprus	60 to 183 days, and not more than 183 days in any other single country	183 days or more per year	Year-round
Board composition	The majority of directors must be Cyprus resident	Cyprus-resident or professional director; you may act as your own, though an additional local director strengthens the position	You are resident and manage the company yourself; directorship is not the issue
Weight of the secretary	Critical The secretary is your demonstrable local administrative anchor.	High Administrative evidence reinforces an already strong residency record.	Supporting Mainly compliance convenience and administrative relief.
Risk without an active secretary	**High** Limited physical presence makes proof of local management vulnerable to challenge.	**Medium** Residency evidence is strong, but without local administration the file stays thin.	**Low** You are demonstrably present and actively managing.
Core duties	Minutes, HE32, UBO updates, correspondence with the Cypriot authorities, maintenance of the registers. At 183 days, additionally: support with the Tax Residency Certificate application.		Mainly annual compliance. The secretary is also deployable as a power of attorney holder.

If you are in the 60-day scenario, see also our explanation of Cyprus non-dom status.

07 When is a professional secretary genuinely needed?

The statutory duty to appoint a secretary is separate from whether that person may come from your own circle. In the following situations a professional, actively operating secretary is strategically necessary.

STRATEGIC NEED BY SITUATION

Situation	Need	Why	Risk with a secretary on paper only
You spend fewer than 183 days in Cyprus, including under the 60-day rule	Critical	Demonstrable local administrative management is your first line of defence against a foreign claim	Foreign authority treats the company as its own tax resident; double taxation
The company receives passive income (interest, royalties, dividends)	High	ATAD I and II and national anti-abuse rules require demonstrable substance for exemptions	Structure characterised as a shell; benefits forfeited
IP structure or use of the IP Box (3% effective)	High	Proof of DEMPE functions in Cyprus is required	IP Box denied; income taxed at 15%
Opening or maintaining a Cypriot bank account	Medium	Banks require a Certificate of Good Standing, which presupposes an active secretary and current filings	Account refused or blocked for non-compliance
You live permanently in Cyprus with no foreign income	Low	Mainly compliance convenience and administrative support	Limited fiscal risk; exposure to late HE32 penalties remains
Dormant company or holding without activity	Low	Still legally required; minimal duties (HE32 and UBO confirmation)	On persistent default: strike-off under Cap. 113 s.327

08 The legal framework in one view

RELEVANT LEGISLATION

Law or regulation	Relevance to the secretary
Companies Law Cap. 113, s.171	Statutory duty to appoint a secretary for every Cyprus Ltd, with the exception for the single-member company.
Companies Law Cap. 113, s.173	Prevents one person from acting in the dual capacity of director and secretary for the same act.
Companies Law Cap. 113, s.327	Strike-off following the Registrar's warning procedure on persistent non-compliance.
Income Tax Law N.118(I)/2002, as amended for 2026	Corporate tax residency test. Since 1 January 2026 the incorporation test applies alongside management and control.
AML Law N.188(I)/2007 (AMLD5/6)	Professional secretarial firms are obliged entities; mandatory KYC and UBO registration.
UBO legislation L.141(I)/2024 + Directive KDP423/2024	Deadlines and penalties for the UBO register. Reduced penalties since February 2025, charged to the company.
EU Directive 2016/1164 (ATAD I) and 2017/952 (ATAD II)	Substance requirements for interest deductibility and prevention of hybrid mismatch abuse.
DAC6 and the BEPS framework	The proposed Unshell Directive (ATAD III) was withdrawn. Substance testing now runs through ATAD I and II, DAC6 and national anti-abuse rules.
BEPS Action 5 (nexus approach)	The IP Box is available only where DEMPE functions are demonstrably exercised in Cyprus.
Record retention	Accounting books and records must be retained in Cyprus for at least six years. The secretary is responsible for physical or digital retention.

09 Fees and what is included

Statutory

Appointment, registers, minute book and retention of corporate documents. The legal minimum, done properly.

€500

Compliance

Everything in Statutory, plus HE32, all UBO filings and statutory changes. The full annual cycle.

€750

Substance

Everything in Compliance, plus board meetings in Cyprus, correspondence with the authorities and audit coordination.

€1,200

Annual fees, excluding VAT.

INDIVIDUAL SERVICES

Service	Frequency	Fee excl. VAT
Company secretary (professional firm)	Annual	€500
Annual Return filing (HE32)	Annual	€150
UBO register update	Per update	€150
Change of secretary on transfer	One-off	€200
Tax Identification Code (TIC) application	One-off	€200
Retention and management of corporate documents	Annual	Included
Typical annual base compliance	**Annual**	**€500 to €800**

No double billing

At Cyprus-Consult the HE32 filing and UBO updates are included as standard in the annual accountancy and compliance package. If you are already on that package, we do not invoice these items separately. Always ask for a breakdown of what you already pay for before adding anything.

All amounts exclude VAT and exclude bookkeeping, audit and the corporate tax return (IR4). A full compliance quote is available on request.

10 Checklist: is your setup sound?

Work through these fourteen points. If you cannot tick three or more, your file is vulnerable.

Legal

- [ ] A secretary has been appointed and correctly filed with the Registrar.
- [ ] The director and secretary combination is permitted for your shareholding structure.
- [ ] The register of members and the register of directors and secretaries are up to date.
- [ ] The most recent HE32 was filed on time, with the audited financial statements.
- [ ] The UBO register was completed within 90 days of incorporation.
- [ ] Every change in beneficial ownership was reported within 45 days.
- [ ] The annual UBO confirmation was made between 1 October and 31 December.

Substance

- [ ] Board meetings were held in Cyprus this year, with minutes dated around the decisions themselves.
- [ ] Accounting books and records are physically retained in Cyprus.
- [ ] Correspondence with the Tax Department and the Registrar runs through a Cyprus address, not your home address abroad.
- [ ] Your registered office is more than a mailbox.
- [ ] The officers appear in the documents after incorporation, not only on the incorporation forms.

Commercial

- [ ] You know exactly what is in your annual package and are not paying twice for HE32 and UBO.
- [ ] Your provider does not invoice an “annual levy”, because it has not existed since 2024.

> **Switching provider?**
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> On departure, always collect: the statutory registers, the minute book, the full HE32 history and evidence of the UBO filings. Without those four items your new firm starts with a gap in the file. We handle the transfer including retrieval for a one-off €200.

Let us check your setup.

Twenty minutes, free of charge, no sales pitch. We review your file at the Registrar, your secretary appointment and the status of your UBO registration, and tell you honestly whether anything needs to change.

Not a slow law firm with an hourly rate and a vague answer. A fixed fee, a clear explanation, and someone who is actually in Cyprus.

Book a free call

Book the Cyprus Roadmap

Further reading: Cyprus company formation · holding company · IP Box regime · corporate bank account · shelf companies