CYPRUS·CONSULT

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The Nominee Director in Cyprus.

Not a privacy product. Not a name on a form. Read this before you buy one, because since 2026 a director in Cyprus does something fundamentally different from before.

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Verified against Cyprus Companies Law Cap. 113 and the 2026 tax reform · July 2026

Contents

In 60 seconds

- A nominee director is a **real director with real liability**. Cyprus law draws no distinction in principle between an executive, a non-executive and a nominee director.
- It is **not a privacy product**. Your name stays in the UBO register. What changes is what a competitor sees in the public officer register.
- Since **1 January 2026** you are a Cyprus tax resident by virtue of incorporation. You no longer need a Cyprus director to become resident, but to stop Belgium or the Netherlands claiming you as well.
- A director who demonstrably did nothing is **worse evidence than no director at all**. It documents exactly the artificiality you were trying to avoid.
- The market charges **€950 to €4,000 per year** per nominee. Providers who only quote after onboarding are usually at the top of that range.

01 What a nominee director in Cyprus is

A nominee director is a director formally appointed and filed with the Registrar of Companies, who acts on the instructions of the beneficial owner in commercial matters. Under Cyprus law that person carries the same duties and the same personal liability as any other director. The appointment is public. The instruction relationship is documented in a director agreement.

Every director of a Cyprus company owes the company a duty to act in its best interests, to exercise reasonable care and skill, to avoid conflicts of interest and not to profit from the office without disclosure. A nominee cannot answer a regulator by saying they were following instructions.

Who can be a director?

Any natural person and any legal entity may be appointed as director of a Cyprus company. There is no statutory residency requirement. A private company needs a minimum of one director.

The distinction the law does not make

In job titles there is a difference between an executive, a non-executive and a nominee director. In the duties they carry, that difference does not exist in principle. Anyone buying a nominee in the belief that they are buying a lighter form of directorship is buying something other than they think.

Why people appoint one

\25B8 **Substance.** Demonstrating that the company is genuinely managed from Cyprus.

\25B8 **Practical presence.** Signing documents, appearing at the bank, receiving post and corresponding with the authorities without flying in each time.

\25B8 **Discretion towards third parties.** Competitors, suppliers and the merely curious do not immediately see who is behind the company. Note: this does not work against tax authorities.

\25B8 **Continuity.** The company remains governable if you are unreachable or absent for a long period.

02 What it is not: the privacy myth

The most persistent misconception in this market is that a nominee director makes you invisible to your own tax authority. That is false, and believing it costs more than not buying the service.

Three registers, three different answers

WHAT SITS WHERE, AND WHO CAN SEE IT

Register	What it contains	Accessible to
Officer register (Registrar)	Directors and the secretary, with name and address	Anyone, free and online. This is where a nominee does change something.
Shareholder register (Registrar)	The registered shareholders	Anyone. A nominee shareholder changes what is visible here.
UBO register	The beneficial owner: any natural person holding more than 25% of shares or voting rights, or otherwise exercising control	Not public since January 2023. Available to competent authorities, obliged entities and parties with a demonstrated legitimate interest. **A nominee changes nothing here.**

What you should never buy

Some providers offer to name a third party as beneficial owner, sometimes marketed as a "nominee UBO" or "nominee beneficial owner". That is a false declaration to a statutory register. It is a criminal offence, it is not a grey area, and it turns a tax discussion into a criminal one. If you are offered this, you also know what the rest of that client base looks like.

Your home state obtains beneficial ownership information through the UBO register, through automatic exchange of information and through the AML framework. A provider marketing a nominee director as a way to keep your name away from a foreign inspector is selling you a problem, not a solution.

03 Nominee, corporate and shadow directors

THREE FORMS SIDE BY SIDE

Aspect	Nominee director	Corporate director	Shadow director
What it is	Formally appointed natural person acting on documented instructions	Legal entity formally appointed to the board	Someone directing the board without being appointed
Filed with the Registrar	Yes	Yes	No
Legal status	Full director	Full director	Treated as a director for liability purposes
Duties	Full fiduciary and statutory duties	Full duties, discharged through its own officers	Full liability, no formal authority or protection
Substance value	Medium to high Depends on actual activity	Low on its own Useful as one layer in a wider structure	Negative Evidence of an artificial arrangement
Cost per year	€1,500 to €3,000	€500	Free, until it becomes very expensive

How you accidentally become a shadow director

You buy a cheap nominee and then run the company entirely from abroad by email. The nominee's name is on the register, the decisions are demonstrably taken elsewhere, and the arrangement documents precisely what a foreign tax authority is looking for. This is the most expensive version, and it is also the most widely sold.

And the nominee shareholder?

A nominee shareholder holds the shares for you under a declaration of trust, exercises the voting rights on your instruction and executes transfers as directed. That touches a different register and a different risk from the directorship. Many structures use both. Make sure you hold both the declaration of trust and a blank share transfer instrument before you sign anything.

04 What we will not do, and why

We turn away a meaningful share of enquiries for this service. Being clear about it saves everyone time.

\25B8 **No nominee UBO.** We will not arrange any structure in which a third party is declared as beneficial owner, and you should not buy it from anyone.

\25B8 **No structures designed to be invisible to your home country.** If the objective is that Belgium or the Netherlands never finds out, we are the wrong firm.

\25B8 **No paper directorships sold as substance.** If you only want a name on the register, take the corporate director deliberately and understand what you are and are not buying. We will not sell it to you as protection it does not provide.

\25B8 **No engagement without full KYC.** Source of funds, source of wealth and beneficial ownership, fully documented. That is not optional under Cypriot AML legislation and it is not negotiable.

A useful test for any provider

If a provider accepts you without asking difficult questions, that tells you something about what the rest of their client base looks like. And therefore about the risk you take by sitting in the same portfolio. Crypto payment without identification, five-day turnaround and “we keep no client data” are not efficiency features. They are warning signals.

05 The 2026 reform and the tie-breaker

> Since **1 January 2026** a company incorporated under the Cyprus Companies Law is 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. Appointing a Cyprus-resident director therefore no longer creates Cyprus tax residency. It defends it.

Parliament approved the reform on 22 December 2025, published on 31 December 2025 and effective from 1 January 2026. Corporate income tax rose from 12.5% to 15% and stamp duty was abolished entirely.

The five steps that actually play out

1. **You incorporate in Cyprus.**
Cyprus treats the company as tax resident. Nothing further is required. Companies that 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 OECD principles are shared. The thresholds are not.

3. **Both states claim the company.**
Dual residence.

4. **The treaty tie-breaker decides.**
In practice it turns on place of effective management.

5. **Evidence settles it.**
Who took the decision, where they were sitting, on what date, and what was recorded at the time.

> **Why this makes directors more important**
>
> 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. A director who demonstrably did nothing works against you there, not for you.

Background in our overview of the Cyprus Tax Reform 2026. If you are relocating yourself, see also exit tax on leaving Belgium or the Netherlands.

06 What a foreign inspector asks for

This is not theory. This is the list of questions that actually lands on the table during an audit of a foreign company.

FIVE QUESTIONS, AND HOW YOU WIN OR LOSE THEM

Question	What satisfies it	What does not
Where were board decisions taken?	Minutes of meetings held in Cyprus, with Cyprus-resident directors present, dated around the decision itself	Minutes signed in bulk at year end
Who holds decision-making authority?	A board that reviews and approves proposals, visible in the minutes	Written instructions from a foreign shareholder to a passive appointee
Is there a real office?	Registered office with actual activity, correspondence and records on site	A mailbox and a name plate
Do the officers perform their duties?	Correspondence, filings and decisions in the officers' own names	Officers who appear only on the incorporation forms
Where are the records kept?	Books and records physically in Cyprus, retained for at least six years	Records at the shareholder's home address abroad

Ask first, buy second

We test your current file against these five questions free of charge before you buy anything. In roughly half of cases a nominee director turns out not to be the missing piece, and we say so.

07 The risks, stated honestly

For you as owner

\25B8 **Weak documentation means loss of control.** Without a properly drafted director agreement and declaration of trust, you are relying on goodwill.

\25B8 **A passive nominee damages your substance file.** It supplies exactly the evidence of artificiality the arrangement was meant to prevent.

\25B8 **Bank rejection.** Cypriot and European banks scrutinise nominee arrangements closely. A poorly documented structure fails onboarding.

\25B8 **Your provider's licence is your risk.** Nominee services must be delivered through a supervised entity. With an unregulated provider you carry sanction risk and can be left without a director overnight.

For the nominee

\25B8 Personal liability for wrongful trading on insolvency, under sections 307 and 312 of Cap. 113.

\25B8 Criminal exposure where the company is used unlawfully.

\25B8 Disciplinary and regulatory sanction for compliance failures.

Why that is good news for you

Precisely because the nominee carries risk, any competent provider refuses instructions that look unlawful or commercially unreasonable, and declines clients who fail due diligence. That friction is not an obstacle. It is the quality control you are paying for.

08 Supervision: who may offer this?

Nominee services are a regulated activity in Cyprus. Acting as, or arranging for another person to act as, a director or secretary of a company falls under the administrative services regime.

THREE REGULATORS, ONE REGIME

Type of provider	Regulator	What you can verify
Administrative Service Provider	CySEC	Public register of licence holders
Law firm	Cyprus Bar Association	Registration and disciplinary status
Accountancy or audit firm	ICPAC	Membership and practising certificate

All three are obliged entities under Cypriot anti-money-laundering legislation and must complete full KYC, establish beneficial ownership and handle and maintain the UBO registration.

Our position, stated plainly

Cyprus-Consult (HE465399) is an advisory and introductory platform. We do not supply the directorship ourselves: we structure the arrangement, select the licensed Cyprus provider that fits your situation and sector, negotiate the director agreement and manage the relationship. It also means we are not tied to one in-house supplier and its price list.

09 How the appointment works

Typically ten to fifteen working days from the moment your KYC is complete.

1. **Scoping call.**
   We map your residency profile, home jurisdiction, income sources and actual requirement. Around half of enquirers do not need a nominee director at all, and we tell them so.

2. **KYC and provider selection.**
   Full due diligence, then matching to a licensed Cyprus service provider appropriate to your structure and sector.

3. **Director agreement.**
   Scope of authority, instruction procedure, reserved matters, remuneration, termination and indemnity. This document is the arrangement. Everything else is filing.

4. **Filing.**
   Appointment notified to the Registrar on HE3 at incorporation or HE4 for an existing company. UBO register updated within 45 days.

Since 1 January 2026 stamp duty has been abolished entirely, which lowers the cost of director agreements, powers of attorney, declarations of trust and filings.

10 Fees and market benchmark

Corporate Director

A Cyprus legal entity on your board. Signs filings and resolutions. Low weight in a tie-breaker.

€500

Resident Director

A Cyprus-resident individual, non-executive. Meets and minutes in Cyprus. Bank signatory optional.

€1,500

Executive Director

An active director who chairs, reviews and decides. Named contact for the Tax Department. High weight.

€3,000

Annual fees, excluding VAT.

FULL FEE SCHEDULE

Service	Frequency	Fee excl. VAT
Corporate director (Cyprus legal entity on the board)	Annual	€500
Resident director (non-executive)	Annual	€1,500
Executive director (active, chairing)	Annual	€3,000
Nominee shareholder	Annual	€450
Director agreement, declaration of trust and blank transfer instrument	One-off	Included
Change of director on transfer	One-off	€200
Company secretary	Annual	From €500
Cyprus market benchmark, nominee director	**Annual**	**€950 to €4,000**

Corporate directors sit at the bottom of that band in the market, active executive directors at the top. Our fees sit inside it, with the scope of the service stated on paper in advance rather than discovered on the invoice.

11 Checklist for your director agreement

Already have a nominee director? Work through these twelve clauses. If three or more are missing, your agreement is incomplete.

- [ ] Precise description of the scope of authority and its limits.
- [ ] Instruction procedure: who may instruct, in what form, and how it is recorded.
- [ ] Reserved matters that may only be decided with your prior consent.
- [ ] Express confirmation that the director may and must refuse unlawful instructions.
- [ ] Remuneration, payment terms and what happens on non-payment.
- [ ] Notice period on both sides, with an orderly handover procedure.
- [ ] Succession clause so the company is never left without a director.
- [ ] Indemnity for the director, and the limits of it.
- [ ] Your right of access to every document signed on behalf of the company.
- [ ] Bank mandate arrangements: who signs, up to what amount, and with whose approval.
- [ ] Confidentiality, with an express carve-out for statutory reporting obligations.
- [ ] Governing law and competent court.

And for the nominee shareholder

- [ ] Declaration of trust confirming the shares are held for you.
- [ ] Blank, signed share transfer instrument in your possession.
- [ ] Power of attorney to exercise or direct the voting rights on your instruction.

The most commonly missing clause

The succession clause. Without it, your director's departure can leave the company ungovernable in a single day, after which filings stall and good standing disappears within a few months. Buyers look at the fee. They should be looking at what happens when it goes wrong.

Would your structure survive a Belgian or Dutch challenge?

We assess your board composition, your minutes and your substance file against the criteria your home tax authority actually applies. Twenty minutes, free of charge, and if you need nothing we will say so.

No anonymity products. No hourly rate with a vague answer. A fixed fee, a licensed provider and a file that holds up.

Free substance check | **Book the Cyprus Roadmap**

Further reading: Cyprus company formation · holding company · registered office and business address · corporate bank account · IP Box regime

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