Jurisdiction name:	ICELAND

Information on Residency for tax purposes
Section I – Criteria for Individuals to be considered a tax resident
Article 1 of the Icelandic Income Tax law stipulates which individuals bear a full and unlimited tax liability based on residency. The criteria for individuals to be considered residents for tax purposes is: 1. Individuals that have legal residency in Iceland. The concept of legal residency is similar to centre of vital interests. 2. Individuals that have moved abroad and renounced their residency in Iceland. The tax liability applies for up to 3 years after departure, unless they prove that they have become subject to ordinary tax liability in another country. 3. Individuals that stay in Iceland for 183 days or longer in any 12 month period, including normal absents abroad due to vacation or similar. 4. Individuals who work on-board an aircraft or a sailing vessel registered in Iceland for 183 days or longer, including normal absents due to vacation or similar, in any 12 month period.
Section II – Criteria for Entities to be considered a tax resident
Article 2 of the Income Tax law stipulates which entities bear a full and unlimited tax liability based on tax residency. Legal entities are considered to be tax residents in Iceland if they fulfil one of the following: a. they are registered in Iceland, b. their home, according to articles of association is in Iceland, or c. their place of effective management is in Iceland. Place of effective management means where the individual or individuals who take or carry out the decisions regarding the entity’s control, direction, operation or management, as well as those regarding the activities it performs, are situated. Most common legal entities resident in Iceland: • Private and public limited liability companies – in Icelandic: hlutafélag (hf.) and einkahlutafélag (ehf.) • Partnerships – in Icelandic: samlagsfélag (slf), sameignarfélag (sf.)
Section III – Entity types that are as a rule not considered tax residents
Partnerships can opt to be tax transparent under Icelandic laws. Transparent entities are not considered to be taxable and the income and expenses are accounted for at the level of the partners. For CRS purposes tax transparent entities are included as reportable entities.
Section IV – Contact point for further information
Iceland Revenue and Customs – Skatturinn Katrinartun 6, 105 Reykjavik, Iceland www.skatturinn.is – tel. +354-442-1000 – skatturinn@skatturinn.is