



## Cyprus Fact Sheet

### GENERAL INFORMATION

Company type	Private Company limited by share.
Timeframe for company formation	1 week
Governing corporate legislation	The Cyprus Bar Association is the governing authority and companies are regulated under the Cyprus Companies Law, Cap. 113.
Legislation	Modern offshore legislation
Legal system	Common Law
Corporate taxation	Among the lowest in Europe
Accessibility of records	Upon registering your company in Cyprus, company officers name will appear in the business registry, however, nominee services are available.
Time zone	GMT +2
Currency	Euro (EUR)

### SHARE CAPITAL

Standard currency	EUR
Standard authorised capital	EUR 1,000
Minimum paid up	None

### SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	1
Locally-based requirement	No
Requirement to appoint Company Secretary	Yes

### ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	Yes
Requirement to appoint auditor	Yes
Requirement to file accounts	Yes
Accessibility of accounts	None
Requirement to file annual return	Yes

### DOCUMENT REQUIREMENTS

Notarized copy of valid passport with apostille
Notarized copy of a proof of domicile dated less than three months**
Bank Reference Letter from a well known or reputable Bank
CV

### INCORPORATION FEES

Initial set-up and first year	USD 3050
Per year from second year	USD 2420

## GOOD TO KNOW

Following the Cypriot economic crisis of 2012-2013, Cyprus' economy is steadily recovering. In 2014, the Cypriot economy continued to exceed expectations due to the resilience of key sectors of its economy, such as financial services, tourism, and business services. In the second quarter of 2015, the Cypriot economy recorded growth for a second consecutive quarter — a significant development that confirms that the economy is well on the road to recovery as well as its positive prospects. In September 2015, Standard & Poor's Ratings Services raised its rating on Cyprus by one notch saying the country's economic and budgetary performance has exceeded its expectations.



### JURISDICTION INFORMATION

The third largest and third most populated island in the Mediterranean Sea after Sicily and Sardinia, Cyprus is a crossroads located south of Turkey, west of Syria and Lebanon, northwest of Israel and Palestine, north of Egypt and east of Greece. Cyprus joined the European Union in 2004 and has showed considerable growth in its economy during the past 15 years. The island has a long history as an International Financial Centre and enjoys Europe's lowest corporate tax rate levied on resident companies.

## POLITICAL STRUCTURE

An independent presidential republic since 1960, Cyprus' political system is modelled on Western democracies with a head of state and government elected by a process of universal suffrage for a five-year term. Executive power is exercised by the government or Council of Ministers to which the President appoints members.

The Ministers are responsible for the administration of matters falling within the domain of their ministries and for the implementation of legislation. Legislative power is vested in the House of Representatives, which consists of 56 elected members who hold office for a period of five years. A multi-party system operates in Cyprus and the electoral system is based on proportional representation. The Judiciary is independent of both the executive and the legislature and its system is based on that of the United Kingdom with all statutes regulating business matters and procedure based on English Law.

## ECONOMY

Cyprus has an open, free-market, service-based economy with some light manufacturing. Since gaining independence in 1960, Cyprus has had a record of successful economic performance, reflected in strong growth, full employment conditions and relative stability. The agrarian economy it inherited from colonial rule has been transformed into a modern economy, with dynamic services, industrial and agricultural sectors, and an advanced physical and social infrastructure. Cypriots are now among the most prosperous people in the Mediterranean region, with GDP per capita surpassing USD 26,000 in 2014.

## POPULATION

The population of Cyprus is about 1.1 million with Greek Cypriots forming the largest ethnic community representing approximately 85%; Turkish Cypriots comprising the second largest community representing 12%; and the remaining 3% representing other minorities.

## LANGUAGE

Cyprus has two official languages, Greek and Turkish, and although it does not have an official status, English is widely spoken and is used in business, industry, and government. Armenian and Cypriot Maronite Arabic are recognised as minority languages and Russian is widely spoken among the country's minorities from post-Soviet countries and the Pontic Greeks.

## TAXATION

The tax rate for Cypriot companies is 12.5%, which is one of Europe's lowest rates. This rate is applied on all profits generated worldwide from a Cypriot company, however, if the company is operated solely as a "Holding Company" (i.e., to hold shares of other companies) it will not be taxed. Furthermore, a uniform 10% corporate tax rate is now levied on all "resident companies". This new taxation status is residence-based, thus a company is only "resident in the Republic" if its business is centrally managed and controlled in Cyprus. Under these new rules, a resident corporation is taxable on its worldwide income accrued or arising from sources both within and outside Cyprus if it is managed and controlled from Cyprus. Accounting and auditing of a Cyprus Private Company is compulsory every year. To obtain a Cypriot tax identification number, it is required that most directors reside in Cyprus and GCM can provide local directors through its nominee director service.

### The following income is not taxable:

- Dividends;
- profits from the sale of listed securities; and
- interests not from ordinary activities or not directly related to the key activity of the company.

### Possible deductions:

- Donations to charity;
- representation expenses;
- all expenses related to the maintenance of a building; and
- contributions to employers' social insurance.

### Expenses cannot be deducted from:

- Maintenance of motor vehicles; and
- business taxes.

## When does the tax return have to be submitted?

- For a company registered prior to July (e.g. 22/04/2010), the accounts must be presented to the tax authority before 31 December of the following year (31/12/2011) for the preceding year (2010).
- If the company was registered after July (e.g. 30/09/2010), the accounts must be submitted to the tax authority before 31 December two years after (31/12/2012) for the preceding years (2010 and 2011).

## DOUBLE TAX TREATY

Cyprus has concluded 44 double tax treaties with: Austria, Armenia, Bulgaria, Belarus, Belgium, Canada, China, the Czech Republic, Denmark, Egypt, France, Germany, Greece, Hungary, India, Ireland, Italy, Kuwait, Kyrgyzstan, Lebanon, Malta, Mauritius, Moldova, Montenegro, Norway, Qatar, Poland, Romania, Russia, Singapore, Slovenia, South Africa, Sweden, Syria, San Marino, Serbia, Seychelles, Tadjikistan, Thailand, Ukraine, the United Arab Emirates, United Kingdom, and United States of America. Most of the treaties follow the OECD model and all of them have the impact of reducing or eliminating the normal withholding taxes imposed by the Contracting states on dividends, interest, and royalty payments.

## COMPANY FORMATION INFORMATION

### INCORPORATION PROCEDURE

Upon receipt of the client's KYC documents (passport copy and proof of address issued within the last 3 months) and description of the intended business activity, and after our legal department's due diligence checks, GCM will incorporate the Private Company via our Cyprus-based agent as it is necessary for the registered office of the company to be maintained in Cyprus at the address of a licensed management company.

### INCORPORATION TIMEFRAME

One week.

### TRADING RESTRICTIONS

Cyprus companies cannot undertake the business of banking, insurance, or the rendering of financial services to the public unless special permission is granted. Companies cannot trade with resident individuals or companies situated in Cyprus.

### NAME RESTRICTIONS

A Cyprus company name must end with a word, phrase, or abbreviation that indicates Limited Liability, such as "Limited", "Ltd.", "Société Anonyme", "S.A.", "Aktiengesellschaft", or any relevant abbreviation. Restricted names include those suggesting royal or governmental patronage or names implying illegal activities. Other restrictions are placed on names that have already been incorporated or names that are similar to those that have been incorporated to avoid confusion. Names including such words as the following or their derivatives require consent or a licence: "Asset Management", "Assurance", "Bank", "Broker", "Capital", "Credit", "Currency", "Custody", "Dealers", "Deposit", "Derivative", "Exchange", "Fiduciary", "Finance", "Fund", "Futures", "Insurance", "Lending", "Options", "Pensions", "Portfolio", "Reserves", "Savings", "Securities", "Stock", "Trust", etc.

### CORPORATE DOCUMENTS LANGUAGE

Greek and English.

## NOTES

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\* Subject to the constraints of the due diligence procedure.

\*\* Documents must be provided for every person related to the company.

Disclaimer: Nothing on this fact sheet shall be construed as a contractual commitment or as a warranty. Services conditions are governed by the applicable terms and conditions.