

Introduction

Cyprus is located in the Eastern Mediterranean Sea and is positioned at the cross roads of Europe, Asia and Africa. Due to geographical position and the distinguished tax features that the state of Cyprus promotes, Cyprus has become one of the most important International Financial and Business Centres worldwide. The official language of Cyprus is Greek although English is very commonly used. The area of the island is approximately 9,251m² with a population of 700,000 inhabitants.

Cyprus for many decades has been investing heavily in areas to promote Cyprus as the business hub of the region as well as an International Business Centre. In this respect, Cyprus has build a modern port (Lemesos), promoted the Shipping Flag of Cyprus (6th world-wide), built two International airports, paid considerable attention to telecommunications infrastructure by participating in world programs and developed an efficient banking system offering quality services to specific market niches.

General Information.

Currency:	Cyprus £ pounds.
Minimum Capital:	The share capital must be expressed in Cyprus pounds. The usual authorised share capital of a Cyprus IBC company is CYP 5,000 and the minimum paid up capital is CYP 1,000. For companies wishing to establish a physical presence in Cyprus, the minimum is CYP 10,000.
Capital duty:	The corporate tax rate is 10% of the net profit. Non-resident Companies are subject to 0% in taxation provided that the directors are located outside Cyprus, all business decisions are taken outside Cyprus and that it has no sources of income in Cyprus
Availability of shelf Co's:	Yes
Shares Permitted:	Registered shares of par value, preference shares, redeemable shares and shares with no voting rights. No bearer shares allowed.
Shareholders:	Minimum number of shareholders is one.
Directors:	The minimum number of Directors is one. They may be individuals or corporate bodies, can be of any nationality and do not have to be resident in Cyprus.
Secretaries:	All Cyprus companies require a Company Secretary. They may be a natural person or a corporate body and do not have to be resident in Cyprus.
Company Registers / Records:	Directors, Secretary & Shareholders are kept on the register although beneficial owner details are not disclosed.
Registered Office:	A Registered Office must be maintained in Cyprus.
Statutory Submissions:	Annual audited accounts with a financial statement along with the annual return.
Double Taxation Treaties:	Cyprus has double taxation treaties with more than 30 Countries.
Directors Meetings / AGM's	An AGM is required.
Public Records:	As well as the address of the Registered Office. Directors, Secretary and shareholders are available for viewing on the public register. The annual return and/or accounts are also available.

Annual Government Fees/Duties: Nil

Advantages: Confidentiality. Most private companies are exempted.
Highly respected jurisdiction, internationally, with many World-class banks and financial institutions.
Wide range of trading and tax planning vehicles.
VAT Registration with UK reciprocal agreement.

Disadvantages: Can be seen as expensive in comparison to other jurisdictions.

Other useful Information: Resident companies will be paying the lowest taxation in Europe (10%) on their net profits.
Holding companies engaged in Global international trading may be established with 0% taxation in all respects provided their management and control is outside Cyprus.
Trading companies, which are now looking for respectable jurisdictions with the EU stamp on it have the possibility plan their structure in such a way as to take advantage of 0% taxation.

A resident company is not taxed on profits from overseas establishment on certain activities.
There are no withholdings taxes on dividends interest and royalties to non-residents.
Losses can be carried forward indefinitely and set off against future profits.

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