



LEGALINK

INTERNATIONAL BUT PERSONAL

FIVE ADVANTAGES OF DOING BUSINESS IN...

FOR PRIVATE CLIENTS
AND CORPORATE ENTITIES



INDEX

AUSTRALIA.....	04	NEW ZEALAND	68
Piper Alderman		Lowndes	
AUSTRIA.....	05	PARAGUAY	70
Fiebinger Polak & Partners		Altra Legal	
Rechtsanwälte Gmbh			
BELGIUM.....	06	PERU.....	73
Iustica.be		Hernández & Cía. Abogados	
BRAZIL.....	08	PORTUGAL.....	74
Felsberg Advogados		Sérvulo & Associados	
CHILE	11	RUSSIA.....	77
Grasty Quintana Majlis		Intellect	
COLOMBIA.....	15	SLOVAKIA	85
Muñoz, Tamayo & Asociados		Paul Q Law	
CYPRUS.....	18	SOUTH AFRICA	86
Ioannides demetriou llc		Fluxmans Inc.	
CZECH REPUBLIC	26	SPAIN	88
Felix A Spol.attorneys At Law		Ventura Garcés & López-Ibor Abogados	
FRANCE.....	28	SWEDEN	89
Bersay Et Associés		Hellström	
GERMANY.....	31	SWITZERLAND	91
Jakoby Rechtsanwälte		Bratschi Ltd.	
INDIA.....	33	TURKEY.....	93
Dua Associates		Gun+Partners	
ISLE OF MAN	37	UK.....	95
Laurence Keenan Advocates & Solicitors		Weightmans	
ITALY	42	UKRAINE	97
Cocuzza E Associati Studio Legale		Asters	
LIECHTENSTEIN.....	45	URUGUAY	99
Gasser Partner Rechtsanwälte		Hughes & Hughes	
LUXEMBOURG	48	USA - TEXAS	101
Brucher Thieltgen & Partners,		Bell Nunnally	
Avocats À La Cour			
MALTA.....	62	USA – NEW YORK.....	104
DF Advocates		Carter Ledyard & Milburn Llp	
NETHERLANDS	64	VIETNAM	106
Ekelmans & Meijer Advocaten		Indochina Legal Law Firm Limited	

CYPRUS

IOANNIDES DEMETRIOU LLC

There are many reasons why a potential business or individual investor should look to Cyprus to locate their business, family offices or even themselves and their family:

Political / Geographical

EU Eurozone Member at the Crossroads of Four Continents

Cyprus is a full member of the European Union and in the Eurozone. It is fully compliant with all EU laws and regulations relating to the protection of investments and individual liberties.

Since the 2013 economic crisis, Cyprus has regularized its banking sector with Cypriot banks having amongst the highest liquidity ratios in Europe and has also come out of the EU/IMF Supervision Programme. The Cypriot economy is enjoying steady GDP growth, 3.9% in 2017 envisaged at 4.5% in 2018 and +5% in 2019, and Cyprus has re-entered the financial markets.

Unemployment is on a downward spiral and vital sectors of the economy such as services, tourism and construction are enjoying high growth.

Cyprus' geographical location has, over the centuries, made it a prize for conquerors and occupiers. Today it makes Cyprus a strategic business location. It is the most Eastern outpost of Europe and is at the crossroads of Western and Eastern Europe and Eurasia and the Middle East.

Its non-aligned status has helped Cyprus create excellent trading relationships with the former CIS states including, most notably, Russia, Ukraine, the former Yugoslavian states and the countries of the Middle East, including Israel and Lebanon.

It also enjoys close relations with all Western European countries and North America.

An Established, Mature Business Centre

Cyprus' history as a business centre spans almost 50 years. In that time, Cyprus has developed into a modern and effective business location. It is ultra-competitive in terms of costs of establishment and maintenance of business structures and has one of the world's most favourable tax regimes, which is also fully EU and OECD approved.

CYPRUS | IOANNIDES DEMETRIOU LLC

Cyprus offers first class professional services in the fields of legal, accounting and banking services at competitive rates, with all major international accountancy firms represented in the country.

Premium office accommodation and cutting-edge telecommunications provide an ideal environment for businesses to operate and flourish in. The availability of a highly educated and qualified local labour force (Cyprus enjoys the highest per capita percentage of university graduates in Europe) is also a major positive.

Cyprus offers a variety of EU approved incentives for Cyprus Registered Business Entities, their Management Personnel, Cyprus Registered International Trusts, Funds, Asset Managers, Shipping Companies and High Net Worth Individuals.

Cyprus enjoys political stability and is a parliamentary democracy with full separation of power between the executive and the legislature. Cyprus has an established independent legal and judicial system with the basis of law being the English Common Law.

The business language of Cyprus is English.

Taxation

- Cyprus provides an unrivalled range of tax incentives for business as well as for foreign direct investment into Cyprus.
- One of the lowest corporate tax rates in the EU at 12.5%.
- An attractive Double Tax Treaty network covering more than 60 countries.
- Access to all EU Tax Directives.
- Dividend income exemption based on relaxed conditions.
- Capital gains tax exemption.
- No withholding tax on outgoing dividend, interest or royalty payments.
- Gains from trading in securities are tax exempt.

CYPRUS | IOANNIDES DEMETRIOU LLC

- Notional interest deduction available for equity investment into Cypriot companies.
- Foreign Exchange gains or losses are tax neutral.
- An attractive personal tax regime for international professionals and non-domiciled individuals.
- No succession or inheritance taxes.
- No immovable property taxes.
- A competitive Intellectual Property regime.
- Tailor-made provisions for the investment funds industry.
- Competitive Tonnage Tax for Shipping companies and an approved EU open registry.
- Tax deductions for investment into start-ups.

Personal tax system

The Cyprus personal income tax rates are progressive and reach a top marginal tax rate of 35% on taxable income in excess of €60,000.

Income of up to €19,500 is not subject to tax.

As an incentive to the establishment of foreign businesses in Cyprus as well as to the employment of foreign management in Cyprus businesses, there is a 50% exemption from Cyprus personal income tax on the remuneration from any employment exercised in Cyprus by an individual who was not a resident of Cyprus before the commencement of the employment. The exemption is available for 10 years where the annual remuneration exceeds €100,000.

Non-domiciled (non-dom) individuals are not taxed on their income from dividends and interest.

All citizens of the EU who wish to reside and work in Cyprus need to apply for an EU Registration Certificate. This is a simple, one-off procedure, which does not need renewal.

Non-EU nationals wishing to reside and work in Cyprus need to apply for a Temporary Employment

and Residence Permit at the Civil Registry and Migration Department. These permits are usually issued for a period of 1 year and upon expiry, they are renewed.

Incentives for Foreign Investors

Successive Cypriot governments have encouraged a wide range of foreign investments into Cyprus. The acquisition of citizenship by way of investments is worthy of particular mention due to streamlined procedures and short time frame it takes to apply for and obtain citizenship.

Advantages of the Cyprus Citizenship by Investment Scheme

- The application period is uniquely short. The usual period from the time that the application is lodged is six months.
- Full EU citizen rights, including but not limited to unrestricted right to live, work, own and operate a business, travel and study anywhere in the EU.
- Citizenship and the above rights are extended and granted to the applicant, the spouse, all financially dependent children up to the age of 28 and the applicant's parents.
- No dividend tax on world-wide income for non-domiciled tax residents. Cyprus has very low rate of corporate income tax.
- Visa-free travel to 157 countries.
- Unlike many other citizenship schemes, Cyprus allows dual citizenship.
- Additionally Cyprus in a reflection of its cosmopolitan outlook and environment does not require applicants to undertake examinations in history or Greek language.
- Unlike many other citizenship schemes, Cyprus does not require applicants to make any donations.
- The Cyprus citizenship by investment schemes, unlike other citizenship schemes does not impose an obligation on the part of the applicant or any member of his/her family to reside in Cyprus.

Mandatory Conditions and Requirements of the Cyprus Citizenship by Investment Scheme

CYPRUS | IOANNIDES DEMETRIOU LLC

- The Scheme minimum investment is set at €2 mln (\$2.2 mln) excluding VAT.
- The scheme set out in the Citizenship by Investment law requires the mandatory acquisition of personal immovable property by each investor worth at least €500,000 (except where investment is made in residential property/properties worth €2 million or more).
- The investment must be maintained for a minimum period of only 3 years. After that, the investor is free to monetise the investment and take the investment monies out of Cyprus.

Possible Investments

The following types of investments are possible:

Residential Properties

Residential Properties provide the opportunity to acquire citizenship at the lowest cost.

The minimum investment is €2 million excluding VAT. It is assumed that the property will be used as a residence for at least the first three years and cannot therefore be rented out. Applicants who purchase a residential property with a value of €2 million excluding VAT or more do not need to purchase any additional residence.

Commercial Properties

Investments in commercial properties do allow for the properties to be rented out. The minimum investment is set at €2 million excluding VAT and applicants must also acquire private property at €500.000 excluding VAT.

Own or Cyprus business

An applicant may also invest in his own business or in an existing Cypriot business of whatever nature.

In this case, the minimum investment is set at €2 million excluding VAT and applicants must also acquire private property at €500.000 excluding VAT.

Living and Working in Cyprus

A Wonderful Place to Live and Raise a Family

CYPRUS | IOANNIDES DEMETRIOU LLC

Doing business in a location invariably involves residing in the location.

Cyprus scores very highly indeed in this category.

In Cyprus you one enjoy a high standard of living, thanks to the sunny weather, the beach and mountains within easy reach and the lowest reported crime rate in the EU.

According to the last census, some 173,000 foreign nationals live and work in Cyprus, accounting for 22% of the population. Cyprus is therefore a very diverse and cosmopolitan place to live in. Cypriots are by nature friendly and hospitable.

Climate

Cyprus is the sunniest country in Europe with over 324 days of sun annually. No matter what the season, the sun shines throughout the year, particularly from April to September when the daily average exceeds 11 hours. In addition to the sunny beaches, Cyprus is home to the Troodos Mountains. Located in the centre of the island, with an altitude of almost 2,000m above sea-level, Troodos is covered with snow in the winter months. The short distances mean enthusiasts can ski on the slopes in the morning and enjoy a swim or a drink by the sea in the afternoon.

Leisure Activities

The ubiquitous sunshine means that all residents have plenty of opportunities to enjoy their free time.

Environment

According to the European Environmental Agency, Cyprus also has the cleanest beaches in Europe while Eurostat data show that Cyprus has the lowest reported crime rate in the European Union.

Leisure Activities

Cyprus has leisure activities catering for all ages, tastes and incomes. Both the beach and mountains are within an hour's drive, from the capital, Nicosia. The weekend can be spent windsurfing in Pissouri Bay, snorkeling in the caves of Ayia Napa, diving in Protaras, hiking and cycling in Troodos, watching turtles in the Akamas peninsula, visiting ancient sites and churches or simply dining and partying in the cities.

In the summer, you will find open-air theatre and concerts in the major towns, while the annual

CYPRUS | IOANNIDES DEMETRIOU LLC

events such as the carnival and wine festival in Limassol and the beer festival in Nicosia draw large crowds.

Cypriots are known for their love of food and eating together, so there are a wide variety of restaurants throughout the island, ranging from the traditional tavernas to international cuisine.

Ongoing investments in marinas across the island, a new casino resort with satellites in each town, as well as new hotels, offer continually improving attractions and leisure activities.

Cyprus Transport and infrastructure

Air transport links have been growing and today more than 70 airlines fly to and from Cyprus. Major destinations in Europe and the Middle East can be reached from the international airports in Larnaca and Paphos. The road quality is good with highways connecting the main cities and the roads are less congested in Cyprus than in many other European cities. Nicosia, the country's capital as well as government and business centre, is located in the centre of Cyprus. Limassol, the country's main trade centre and one of the busiest ports in the Mediterranean, is located right on the southern coast and is approximately one hour's drive from Nicosia. Cyprus main international airport located in Larnaca is approximately 30 minutes away from each of these two main centres. Paphos on the west side of the island hosts the second airport of Cyprus.

Healthcare

As an EU Member, Cyprus offers excellent healthcare services at a lower cost than most other EU countries. There are six public general hospitals, a state-of-the-art oncology centre and a centre of excellence in neurology and genetics. Cyprus also boasts over 70 private hospitals and healthcare clinics across the island, accounting for more than half of all patient discharges. In the private sector patients also have direct access to an abundance of specialists.

Education

While Greek is primarily the language used in public schools, English is taught everywhere throughout primary and secondary level. Catering to its diverse population, Cyprus has some 20 reputable English-speaking primary and secondary schools, providing excellent levels of education, as well as pre-school kindergartens for Greek, English, and Russian speaking toddlers. This means many students go on to meet the entry requirements for third degree education in the UK and US. The local colleges and universities are recognised internationally and most of them also teach in English. It is worth mentioning that Universities in Cyprus attract thousands of international students each year and they have a very good reputation. For example the

CYPRUS | IOANNIDES DEMETRIOU LLC

University of Cyprus (UCy) has been ranked among the top 200 universities in Europe, according to the Times Higher Education World University Rankings 2016-17. The University of Nicosia started the first medical programme in Cyprus in 2011 by offering the St George's, University of London graduate-entry course.

The European University Cyprus is renowned for its investment in high tech innovation as well as its engagement with industry and society and the Frederick Institute of Technology (FIT) which is one of the oldest higher educational institutions in Cyprus offering a broad range of diploma, degree and master courses in the areas of science, business, tourism, arts, media and education. For those wishing to further their education abroad they can do it, in Europe, UK or the United States. As such Cyprus has a multilingual and highly educated workforce in Cyprus, with the highest percentage of university graduates per capita in Europe. Cyprus is the second top spender in education relative to GDP in the EU.

CONTACT

Andrew Demetriou

Director

a.demetriou@idlaw.com.cy

