




## Cyprus Company Registration

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## The most favorable tax regime of the European Union

Cyprus has been a full member of the European Union since 2004 and adopted the Euro as its official currency since the beginning of 2008. As part of Europe Cyprus maintains the Lowest Corporate Tax Rate of 12.5% on profits from trading income, a generally favorable tax regime and blanket tax exemptions for international activities.

Corporate Tax <b>12.5%</b>	Titles Trading Income <b>EXEMPTED</b>	Dividend Income <b>EXEMPTED</b>
Foreign PE Income <b>EXEMPTED</b>	Gains on Foreign Assets <b>EXEMPTED</b>	Withholding Taxes <b>0%</b>

## Extensive Network of DTTs and International Reach

Beside the extensive network of 27 European Countries whereas double taxation is not an issue due to the regulation of the internal market, Cyprus has currently concluded tax treaties for the avoidance of double taxation with 50 countries including the majority of the Russia, USA, Canada, India, China and the C.I.S countries. The strategic position and time-zone of Cyprus, enables comfortable connections between Europe, Middle East, Africa and Asia and make the island a natural hub for business and trade.

Double Tax Treaties <b>50 countries</b>	EU Regulations Applicability <b>27 countries</b>
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## No red tape and Excellent Professional Services

Cyprus is an established and reputable business and financial centre supported by an advanced legal, accounting and banking system, highly skilled and multilingual workforce. The local governments have traditionally been promoting Cyprus as an international business center, through the enactment of favorable tax laws, which are in full compliance with EU directives and the reduced paperwork and costs necessary to register and maintain a Cyprus company.

Cyprus Company Registration <b>TWO DAYS</b>	VAT/VIES Registration <b>SAME DAY</b>	Bank Account Opening <b>TWO DAYS</b>
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## Cyprus Tax Provisions

### Corporate Tax Rates

Trading profits of a Cyprus tax resident company are taxed at the rate of twelve point five percent (12.5%), one of the lowest corporate income tax rates in Europe. Business profits of non-resident companies are tax free.

### Interest Income

There are two types of taxes that may apply to interest income earned by a Cypriot company: income tax at 12.5% levied on interest derived, less any allowable expenses, and Special Defense Contribution (SDC) at 30% applied to gross interest income. Interest earned by a Cypriot tax resident company derived in the ordinary course of business or closely connected thereto is only subject to income tax. Interest Income by all other companies is subject to SCD.

### Royalties

There is an 80% exemption on the net income generated from the utilization of patent, trademark or any other intellectual property (IP) rights. The exemption results in an effective tax rate of 2.5% from the utilization of Cyprus registered IP.

### Trading in Titles

Gains from trading and disposal of securities are tax free.

### Withholding Taxes

There are no withholding taxes on payments to non tax resident persons (companies or individuals) in respect of dividends and interest.

### Capital Gains Tax (CGT)

Capital Gains that arise from the disposal of immovable property held outside Cyprus or shares in companies which may have as an underlying asset immovable property held outside Cyprus, are completely exempt from capital gains tax.

### Inheritance or Estate Taxes

There are no inheritance or estate taxes on shares held in a Cyprus company.

### Redomiciliation of Companies

Redomiciliation of any share capital in and out of Cyprus is permissible; however, the other jurisdiction's legislation must also recognize such a possibility.



## Establishing a Company in Cyprus

Traditionally Cyprus was a territory with a growing business activity mainly as a station for international businesses. The means for such activities has always been the Limited Liability Company with shares. In recent years there has been a rapid increase in the establishment of Companies, mainly because of the tax incentives enjoyed by such establishments through Cyprus.

Cyprus companies can be used as follow:

- Holding Company
- Finance Company
- Royalty Company
- Holding Company for Real Estates
- Securities/Title Trading Company
- Services or Trading Company

## Participation of non-Cypriots in a Cyprus Company

There is no requirement or licensing procedure for the participation of foreigners in a Cyprus company. Their participation in a company may be up to 100% of the shares and there are no conditions regarding the minimum amount they must invest in the capital of the company.

## Company Registration Procedure

The procedure for the registration of a Company is relatively simple and it usually takes approximately 3-5 working days. Enterprises and individuals wishing to have a company in Cyprus usually choose to take ready-made (shelf company), which enables them to have an immediate registration of the company.

## Shelf Companies

A Shelf company is the easiest way to acquire a company in Cyprus. Such companies are essentially established beforehand and the entrepreneur who wishes to purchase it may use it straight away. Such companies have not carried out any business until they are purchased by a customer. Usually, the shareholder, the chairman and the secretary in these companies are Management Companies. Particulars of the company may, however, change as soon as the company is undertaken by the customer. Otherwise, suitable trusts may be issued for the benefit of the actual beneficiaries of the company who are in essence transferring the actual ownership of the company to the customers. The capital, the name and the articles of association of the company may also be amended whenever the customers wish to do so. The incorporation of a new company is usually used when the customer wants a particular type of company and they are not interested in the time of incorporation.

## LLPO Corporate Services

LLPO Law Firm can provide the following services:

- Cyprus and International Tax Advice
- Cyprus Company Registration
- Cyprus Company Administration
- Cyprus Fiduciary Services
- Cyprus Trust Services
- Cyprus Nominee Directors
- Cyprus Nominee (Trustee) Shareholder
- Cyprus Banking Facilitation (including Bank Signatory)
- Cyprus Vat Registration and Administration
- Cyprus Virtual Office Services

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