

THE CYPRUS HEADQUARTERING SOLUTION

The Cyprus Headquartering Solution is being implemented by an increasing number of international groups, moving their top holding company and key personnel to Cyprus. Apart from the lure of its natural beauty and Mediterranean lifestyle, Cyprus also offers excellent access to healthcare, world-class clinics, private schools and universities and is strategically situated at the crossroads of Europe and the MENA .

The Cyprus common law legal system is robust, protects shareholders' interests and offers an array of tax benefits to international businesses seeking a low corporate tax rate, no capital gains or tax on the disposal of financial securities and no withholding tax on dividends. Cyprus has a flexible and business-friendly legal system which is harmonised with the EU. English is widely spoken and as a service based economy, with a pool of highly qualified, multilingual and experienced professionals, it is the ideal headquartering centre in Europe.

This publication should be used as a source of general information only. It is not intended to give a definitive statement of the law.

THE CYPRUS HEADQUARTER AT A GLANCE

Legal Framework	The Companies Law Chapter 113 of the laws (As Amended)
Corporate Tax	Cyprus has statutory corporate tax rate of 12.5%
Substance Requirements	<ul style="list-style-type: none"> Cyprus HQ tax residency can be further substantiated by ensuring that all board decisions are appropriately documented and taken in Cyprus The majority of the board should be resident in Cyprus and duly qualified directors Major decisions pertaining to the sale, disposal or merger of an asset should be undertaken, authorized and approved by the Cyprus HQ company
Capital Gains	<ul style="list-style-type: none"> Capital gains on the sale of securities are exempt Capital gains from the sale of immovable property situated outside Cyprus are tax exempt Cyprus.
Dividend Payments	<ul style="list-style-type: none"> Foreign sourced dividends are generally exempt from tax in Cyprus, when received by a Cypriot tax resident company
Interest	<ul style="list-style-type: none"> Interest expense on corporate acquisitions are allowed
Royalties	<ul style="list-style-type: none"> No withholding tax if Cyprus company makes royalty payment to non-resident entity No withholding tax on receipt/payment of royalties from EU resident entities under EU Royalty Directive.

THE CYPRUS HEADQUARTER ADVANTAGES

Quality of Life	<ul style="list-style-type: none"> Access to excellent healthcare (private and public) High quality private school Safety and low crime rates English widely spoken across cosmopolitan cities Mediterranean gastronomy, culture and history
Business Friendly	<ul style="list-style-type: none"> Shareholders' interests are safeguarded by a robust corporate legal framework Cyprus resident companies benefit from an array of tax incentives for their global operations An advanced financial services infrastructure to ensure that all the group's business needs are duly served
Human Capital	<ul style="list-style-type: none"> Highly qualified pool of local and international professionals all tertiary educated As a financial services hub in Europe, there is a 50% exemption for remuneration from employment in Cyprus by persons who were resident outside Cyprus prior. The exemption applies for 10 years if such income exceeds EUR 100,000 per year.
Non-Domicile Tax Status	<ul style="list-style-type: none"> Any individual who spends more than 183 days in Cyprus is deemed a Cypriot Tax resident. As of 2017 the 60-day rule can be applied for individuals who want to acquire the Non-Domicile Status. Non-Domicile Tax status is granted for 17 years, under certain conditions, to individuals who move their personal tax residence to Cyprus. Tax resident non-domiciled individuals are exempt from Special Defense Contribution tax which is applied on dividends (at 17%) and bank deposit interest (30%).
Priority in Residence Permits	<ul style="list-style-type: none"> IT and Pharmaceutical companies who move their headquarters to Cyprus, can enjoy priority in residency permits for their directors and key employees.

WHAT WE CAN DO FOR YOU

We have built our expertise over the past two decades assisting our clients to protect and growth their wealth through bespoke advice. We support international businesses who are seeking a cost competitive and tax efficient jurisdiction to base their business operations. Cyprus is the ideal jurisdiction for those businesses who wish to conduct business both in the European market and internationally. Cyprus has an extensive network of favourable double tax treaties globally.

We offer a full range of services from corporate and tax advisory to structure your international business operations in a streamlined and efficient manner to ongoing corporate administration and the sale of SPVs. In addition, we also provide support on all HR matters relating to employment law and payroll. For those looking to physically relocate to Cyprus to work at the regional headquarter in Cyprus we have the expertise to assist in all immigration matters.

For a FREE Initial Consultation to discuss the specifics of your enquiry please contact Andreas Athinodorou on + 357 22057560 or andreas.athinodorou@atgcorporate.com.

