

## Cyprus

(Fees quoted are exclusive of VAT)

### Requirements:

- The Company must maintain a registered office in Cyprus, at which the statutory books must be kept.
- Minimum requirement of one director and a company secretary. The director can be a non- resident of Cyprus but the company secretary must be a resident of Cyprus. Corporate entities are permitted to hold office in the Company.
- A minimum of one shareholder, there is no residency requirement. A transfer of shares and changes to all statutory information requires to be registered at the Cyprus Registry and a filing fee has to be paid subsequent to which the Registrar will issue a certificate (ready-made companies will incur this as an additional cost, see below \*).
- An annual Government Tax is payable to the Registrar of Companies. For companies incorporated between 1<sup>st</sup> January and 30<sup>th</sup> June the annual tax is payable for the year of incorporation.
- Cyprus joined the Euro Zone on 01/01/08 and replaced its national currency, the Cyprus pound with the Euro. All Cyprus companies have their share capital denominated in EUROS.
- Annually, the company must hold an AGM and not more than 15 months may elapse between such meetings.
- An Annual Return must be lodged 14 days after the AGM, together with a filing fee.
- Audited financial statements have to be submitted to the Cyprus Taxation Authority and to Cyprus Registry.
- Shelf companies are available.
- Information required:
  - Alternative names for approval, amount and denomination of share capital and main objects
  - Time to incorporate: 4-6 weeks

Fees	
Incorporation/Ready Made Company	£2,000
Filing of English Mem and Arts at Cyprus Registry	£500
Annual maintenance	£450
Registered agent and registered office	£500
Annual costs thereafter:	
Annual maintenance	£450
Registered agent and registered office	£500
Registration of a transfer of shares at the Cyprus Registry	£300
Annual Government tax	£500 per annum
Other Services	
Nominee director	£750 per annum
Nominee secretary	£400 per annum
Nominee shareholder	£325 per annum
Obtaining a certificate of tax residency	£750
Registration with the tax authority	£100
Preparation of accounts	To be agreed

## Maintenance Services

Fees will be charged for any additional services on a time-spent basis. Additional charges apply for courier and notarisation/apostille.

## Tax System

The tax year is the calendar year and income of companies is assessed to tax on a current year basis. Profits of an accounting year to 31 December are assessed for the respective tax year and a Tax return must be filled by the end of the subsequent year.

Companies are taxed on their worldwide income and are subject to corporation tax at a rate of 12.5%. Generally, no taxes are levied on distributions from a resident company to a corporate shareholder. Furthermore, no taxes are levied on distributions from a resident company to an individual shareholder, either non-resident or non-domiciled resident.

Below there are the main items of income that are generally exempt from Corporation Tax:

- Dividends; (*Please see **Special Defence Contribution***)
- Interest not accruing from the carrying on of a business activity; (*Please see **Special Defence Contribution***);
- Profits from the sale of securities, including shares in companies and units in mutual funds;
- Most forms of capital gains

Companies have to pay provisional tax on their taxable profit in two equal instalments on 31 July and 31 December. Any loss can be set off against income from other sources for the same year or can be carried forward over the subsequent five years to be offset against future taxable income.

## Special Defence Contribution

Companies resident in Cyprus are subject to the Special Defence Contribution on the following main sources of income:

- Dividends 17%
- Interest income 30%
- Interest received by an individual from Government Savings Certificates and Government Bonds 3%
- Interest earned by an approved provident Fund 3%
- Interest earned by the Social Insurance Fund 3%

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PLEASE NOTE WE REQUIRE ALL CLIENTS TO SATISFACTORILY COMPLETE OUR DUE DILIGENCE REQUIREMENTS AND COMPLY WITH THE MONEY LAUNDERING REGULATIONS 2007.