

Legal update

Cyprus Companies at a Glance

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If you have any related questions/queries please do not hesitate to contact us.

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Michael Damianos & Co LLC is a Cyprus law firm, whose practice is highly international with a strong corporate, banking, energy and private client focus. Although a full service Cyprus law firm, its main areas of practice are international (and local) mergers and acquisitions, general corporate advice, insolvency/corporate recovery, capital markets, banking, energy, general commercial work, fiduciary services, real estate, and immigration to Cyprus for non-EU high-net-worth individuals.

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Cyprus Companies at a Glance

- A correctly structured, through a Cyprus company, group of companies (irrespective of how small this is) can provide for a very tax-efficient way to do business internationally.
- Via a Cyprus company businesspeople can legitimately conduct business in Cyprus and internationally subject to a corporate tax rate of 12.5%, among the lowest rates in the European Union and the lowest in the Eurozone.
- Despite the above corporation tax rate of 12.5%, the majority of purely holding companies (that don't have any inter-company loan arrangements) are able to benefit from a 0% tax liability if all that they are doing is to receive dividends from Cyprus or from abroad (as dividends are outside the scope of Cyprus corporation tax). There is also no withholding tax on dividends paid from Cyprus to non-Cypriot resident individuals or companies.
- A Cyprus company can benefit from double tax treaties with over 40 countries, including Russia, Ukraine, Poland, India, China, Canada and many more.
- A Cyprus company can be incorporated, essentially by a Cyprus lawyer, with 100% foreign ownership. For a private limited company there is a minimum of one shareholder and one director, who can both be of any nationality. It should, however, be noted that tax advisors recommend that a majority of the directors of the relevant company are resident in Cyprus, for management and control purposes, in order for the company to be able to benefit from any applicable double tax treaties.
- Every Cyprus company must have registered office address in Cyprus and a company secretary in Cyprus in order to be holding its files and be making relevant filings with the authorities.
- A Cyprus company is required to pay an annual levy of euro 350 to the Companies Registry, and to prepare and submit annual audited financial statements and tax returns to the relevant authorities.
- The registration of a Cyprus company takes around a week.
- Cyprus companies can open bank accounts anywhere, including with the biggest banks around the world (subject to each bank's own requirements).