

Key Facts Companies

International businesses may be operated in Cyprus under a number of legal structures, including private limited liability companies, partnerships, branches of overseas companies and alternative investment funds.

Cyprus Private Limited Liability Company

The most widely used corporate vehicle in Cyprus is the Cyprus Private Limited Liability Company, which is quick to form, provides access to the wide range of double tax treaties maintained by Cyprus, and offers a number of tax benefits. A detailed summary table of the key features of a Cyprus Private Limited Liability Company can be found on page 3 of this fact sheet.

Other types of Corporate Vehicles in Cyprus Alternative Investment Funds

Cyprus investment funds can be structured as companies or partnerships. Cyprus offers alternative investment fund managers a comprehensive range of options for EU and global fund distribution. For further information see our fact sheet on Cyprus funds.

General or Limited Partnerships

International partnerships can be registered in Cyprus. Partnership profits are exempt from local taxes unless any of the partners is a tax resident of Cyprus.

Branch of an Overseas Company

A foreign company may register a branch in the Republic of Cyprus. This has no legal effect but will allow the company to operate from Cyprus and commonly is adopted for commercial and marketing

reasons. Branches are considered as permanent establishments and any underlying profits will be taxed accordingly in Cyprus.

Merger of European Company with a Cyprus Company

The European company should at the end of the merger be dissolved and the assets transferred to the Cyprus Company. This option is an alternative to re-domiciliation.

Re-Domiciliation to and from Cyprus

Cyprus allows for the domiciliation of a foreign company into Cyprus and for a Cyprus Company to re-domicile elsewhere provided the relevant jurisdiction allows it. The company will be de-registered in the country of formation and registered in the Country of the new domicile. Cyprus allows for all EU jurisdictions to re-domicile to Cyprus and also a number of other jurisdictions.

Societas Europaea (SE) in Cyprus

The SE (Societas Europaea or European Company) is a type of limited liability company with a separate legal personality that can be established in any EU Member State and can operate in accordance with a unified system rather than being subject to multiple state regulations. The head office and registered office of the SE must both be located within the same Member State and may be transferred anywhere within the Union without dissolving the company in order to form a new one in another.

Key Facts Companies

Taxation

The following is an overview of the tax treatment of companies in Cyprus. Please contact us for a full explanation of these rules and how they may apply to a proposed structure involving the use of a Cyprus company.

Non-Resident Company

If management and control is exercised abroad (by non-resident Directors) then the Cyprus Company is not taxable in Cyprus. This type of company is mainly useful for trade purposes. It cannot benefit from any Double Tax Treaties to which Cyprus is a party and cannot obtain any Tax Certificates stating that it is resident/taxable in Cyprus.

Resident Company

A Cyprus resident company is used where access to one of Cyprus' Double Tax Treaties is required or, in the case of a trading company, where a certificate from the Tax Office is required to confirm that the company is taxable in Cyprus. The net profits of such companies are subject to corporate tax at the rate of 12.5%. However there are special rules for taxation of interest and royalty income.

Dividends

- Dividends received by a Cyprus company are not subject to corporate tax and are excluded from the computation of taxable profits. The only instance where the dividends received from a non-Cyprus company may be subject to a 17% defence tax is if any of the following conditions are met:
 - More than 50% of the activities of the foreign company paying the dividend result directly or indirectly in investment income
 - The rate of the foreign taxation on the income of the company paying the dividend is substantially lower than the 12.5% rate payable by the recipient company (i.e. less than 5%)

- Dividends from a Cyprus company to a non-resident corporate or individual Shareholder are not subject to any withholding taxes.

Interest

- Trading interest received by a Cyprus company is subject to 12.5% income tax on net profits. This income is exempt from defence tax.
- Passive interest (interest not obtained from the ordinary activities of the company or from the activities closely connected to the ordinary activities of the company) received by a Cyprus company is exempt from income tax, but subject to defence tax at 30% in case of tax resident shareholders.

Royalties

Royalties are subject to 12.5% corporate tax on net profit and there is no withholding tax on royalties paid, if the use of the right is outside the Republic of Cyprus. In the cases where a Double Tax Treaty, is in place then the provisions of the treaty will apply in terms of withholding tax. Cyprus has also launched a beneficial Intellectual Property Scheme which applies provided that certain conditions are fulfilled and which may provide an effective tax rate of 2.5%.

Titles

- The term "Titles" in the income tax law covers shares, bonds, debentures, founders' shares, and other securities of companies or other legal persons and options thereon.
- Profits arising from the trading in or disposal of titles are not subject to corporate tax.
- There is also no capital gains tax unless there is a sale of shares in a company that owns immovable property located in Cyprus. In this instance there is a flat rate capital gains tax of 20%.

Key Facts Companies

Significant features of a Cyprus Private Limited Liability Company

Legal system	English Common Law
Currency	Euro (€)
Language of legal documents	Greek and English
Availability of shelf companies ¹	Yes
Timeframe for new company formation ²	3-4 days
Time frame for name approval	2 days
Corporate taxation rate	12.5% (resident companies)
Profit on sale of titles (as defined by the Income Tax Law)	0% Corporate Tax
Investment income from dividend	0% Corporate Tax
Withholding tax on dividends for foreign beneficial owners	0%
Capital gains tax	0% (except for real estate situated in Cyprus and the sale of shares representing real estate in Cyprus)
VAT registration	Yes (if liable or eligible)
Double taxation treaty access	Yes (over 50 countries)
Customary authorised share capital	€5,000
Customary issued share capital	€1,000

Minimum number of shareholders	One (foreign individual, corporate and nominees are allowed)
Corporate director allowed	Yes
Requirement for local director	No, but recommended for tax residency purposes
Corporate secretary allowed	Yes
Requirement for secretary	No, but recommended for Registrar liaison purposes
Requirement for local registered office	Yes
Publicly available records	Yes (beneficial ownership information is not publicly available however)
Location of shareholders meetings	Anywhere
Audit requirements ³	Yes (audited financial statements and annual return must be submitted to the Registrar of Companies in English)
Local auditor	Yes
Requirement to file annual return	Yes
Change in domicile permitted	Yes
Bearer Shares Allowed	No

¹Trident Trust maintains shelf companies available for immediate use.

²Trident Trust maintains pre-approved names.

³Trident Trust can arrange for the appointment of a local auditor.

Offices

The Americas/Caribbean

Bahamas

Trident Trust Company
(Bahamas) Ltd
T: +1 242 322 6154
bahamas@tridenttrust.com

Barbados

Trident Corporate Services
(Barbados) Ltd
T: +1 246 621 0760
barbados@tridenttrust.com

British Virgin Islands

Trident Trust Company (BVI) Ltd
T: +1 284 494 2434
bvi@tridenttrust.com

Canada

TT Services (Canada) Ltd
T: +1 604 687 0811
vancouver@tridenttrust.com

Cayman Islands

Trident Trust Company
(Cayman) Ltd
T: +1 345 949 0880
cayman@tridenttrust.com

Nevis

Morning Star Holdings Ltd
T: +1 869 469 1817
nevis@tridenttrust.com

Meridian Trust Company Ltd

T: +1 869 469 1333
nevis@tridenttrust.com

Panama

Trident Corporate Services
(Panama) S.A.
T: +507 302 7494
panama@tridenttrust.com

United States

Atlanta
Trident Corporate Services, Inc
T: +1 404 233 5275
usa@tridenttrust.com

Trident Fund Services, Inc

T: +1 404 364 2019
americasfunds@tridenttrust.com

Miami

Trident Corporate Services, Inc
T: +1 305 405 9006
miami@tridenttrust.com

New York

Trident Corporate Services, Inc
T: +1 212 840 8280
nyc@tridenttrust.com

Sioux Falls

Trident Trust Company
(South Dakota) Inc
T: +1 605 679 4355
sd@tridenttrust.com

US Virgin Islands

Trident Trust Company (VI) Ltd
T: +1 340 774 7322
usvi@tridenttrust.com

Asia

Hong Kong

Trident Corporate Services (Asia) Ltd,
Trident Fund Services (HK) Ltd
& Trident Trust Company (HK) Ltd
T: +852 2805 2000
hongkong@tridenttrust.com

New Zealand

Trident Trust Company (NZ) Ltd
T: +64 9 300 6067
nz@tridenttrust.com

Singapore

Trident Corporate Services
(Singapore) Pte Ltd, Trident Fund
Services (Singapore) Pte Ltd &
Trident Trust Company (Singapore)
Pte Ltd
T: +65 6653 1800
singapore@tridenttrust.com

EMEA

Cyprus

Trident Trust Company (Cyprus) Ltd
T: +357 258 20 650
cyprus@tridenttrust.com

Dubai

Trident Trust Company (UAE) Ltd
DMCC Branch
T: +971 4 423 9988
dubai@tridenttrust.com

Trident Fund Services (DIFC) Ltd

T: +971 4 277 1191
dubai@tridenttrust.com

Guernsey

Trident Trust Company
(Guernsey) Ltd
T: +44 1481 727571
guernsey@tridenttrust.com

Isle of Man

Trident Trust Company (IOM) Ltd
T: +44 1624 646700
iom@tridenttrust.com

Jersey

Trident Trust Company Ltd
T: +44 1534 733401
jersey@tridenttrust.com

Luxembourg

Trident Trust Company
(Luxembourg) S.A.
T: +352 26 30 28 48
luxembourg@tridenttrust.com

Malta

Trident Corporate Services
(Malta) Ltd, Trident Fund
Services (Malta) Ltd & Trident
Trust Company (Malta) Ltd
T: +356 21 434 525
malta@tridenttrust.com

Mauritius

Trident Trust Company
(Mauritius) Ltd
T: +230 210 9770
mauritius@tridenttrust.com

Seychelles

Trident Trust Company
(Seychelles) Ltd
T: +248 4 422 000
seychelles@tridenttrust.com

Switzerland

Trident Corporate Services AG
T: +41 44 396 1080
switzerland@tridenttrust.com

United Kingdom

Trident Trust Company (UK) Ltd
T: +44 20 7935 1503
uk@tridenttrust.com

Trident Company

Services (UK) Ltd
T: +44 20 7487 0460
corpservices@tridenttrust.com