



# BENEFITS IN UTILISING THE CYPRUS FAVOURABLE TAX REGIME

## Cyprus – the jewel of the Mediterranean

- Strategic geographic location; middle of three continents namely Asia, Europe and Africa, and a gateway to the Middle East;
- One of the lowest corporate tax rate in EU / Eurozone at 12,5%;
- Legal system modelled to that of English Law;
- Financial reporting system based on IFRS;
- More than 30 years experience as an International Business Centre;
- Multinational companies have been operating from Cyprus for years;
- Low set-up costs;
- Highly skilled, educated and multilingual workforce at highly competitive fees.

## Summary of Tax benefits:

- Low CIT rate;
- Applicability of all EU directives;
- Advance ruling practice exists;
- Notional Interest Deduction (NID) rules for 80% deemed deduction on taxable profits.
- Extensive Double Tax Treaty network;
- Exemption from tax on incoming dividends;
- Tax free re-organizations.
- Full exemption from tax on profits from the sale of securities (including shares/units);
- No withholding tax on outward payments (Dividends-Interest-Royalties);
- Zero tax if management and control is outside Cyprus;
- Foreign PE profits exempt;
- Tax losses carried forward for 5 years;
- New IP tax regime.

## Advantages of a Trust arrangement:

- No tax at the level of the Offshore Co
- No tax at the level of the International Trust
- Beneficiaries of trust taxed in their country of residence only upon receipt of a distribution from the Trust – Tax deferral
- No filing requirements for the Trust in Cyprus or the Offshore Co

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- No tax upon selling the shares of Cyprus company
- No inheritance or wealth taxes in Cyprus
- Confidentiality and protection preserved for the beneficiaries of the Trust

Cyprus is also an ideal location for:

- Trading companies
- Holding companies
- Finance companies
- IP holding companies
- Regional headquarters
- Shipping companies
- Family Office Trust arrangements

How Demetrios A. Demetriades LLC (DADLAW) can help:

We can provide Legal and Tax opinions, as well as prepare and follow the processing of all applications which may have to be presented before all the Cyprus Authorities for setting up Cyprus structures and relocating businesses to Cyprus.

DADLAW will consider any further questions you may have so that the maximum benefits offered from Cyprus to foreign investors may be achieved.

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