

Headquartering in Cyprus

Cyprus is becoming a regional/international headquartering center and many companies relocate in the island.

Tech companies, IT, ICT, Forex Companies, Funds, Financial and Investment Services, Shipping Companies, Tourism and industrial companies choose to relocate and establish their headquarters in Cyprus taking the advantages of location, tax benefits and friendly business environment.

The absence of economic substance triggers an alert for the possibility of tax avoidance in many jurisdictions. A fully operational basis provides a more rational and beneficial solution than the traditional agency structure. Headquartering implies substance and total compliance with the new rules regarding transparency, real business and actual economic substance.

Cyprus's strategic location provides access to the EU and the Asian and Middle East countries. A combination of its low tax regime, double taxation treaties network and legal system makes Cyprus a desirable location for the formation of various types of companies and establishment of businesses. This is the reason why Cyprus in the past years boosted economic growth and investor's confidence and various companies established their regional base in Cyprus.

Significant economic – tax factors:

- The lowest corporate tax rates in the EU at 12,5%
- Double Tax Treaty network covering more than 60 countries
- Access to all EU Tax Directives
- The VAT on acquisition of new residential property can be as low as 5%. There are no transfer fees if the transaction is subject to VAT and 50% if not Immovable Property.
- Tax (IPT) was fully abolished from January 2017.
- Dividend income exemption based on relaxed conditions
- Tax on overseas pensions with one of the lowest rate - 5%.
- Special reduced VAT for private yachts
- No withholding tax on outgoing dividend, interest or royalty payments
- Gains from trading in securities are tax exempt
- Notional interest deduction available for equity investment into Cypriot companies.

- **Dividends: 0% withholding tax**
taxed in the state of residence of the recipient
- **Interest: 0% withholding tax**
taxed in the state of residence of the recipient
- **Royalties: 0% withholding tax**
Royalty payments are exempt from any withholding taxes provided that were exercised outside Cyprus.

Highlights of Cyprus

- Excellent common law system
- Political and economic stability
- Advantageous geographical location and time zone
- English as a business language
- EU member since 2004
- High standard of living and low crime rate
- Highly developed and efficient accounting and legal services
- Excellent transport and telecommunication facilities
- High level of professional services
- Readily available and highly trained local staff
- Serviced by major airlines

Re - Domiciliation of Companies

Companies Law Cap. 113 allows for cross-border corporate immigration. A foreign company, may apply to the Registrar of Companies in Cyprus to be registered in Cyprus as a continuing entity in the Republic, having all the advantages of Cyprus Companies. Any foreign company may apply for a re domiciliation to Cyprus provided that this is permitted by:

- I. its constitutional documents i.e. Memorandum and Articles of Association, and
- II. the law of its current jurisdiction (jurisdiction of incorporation).

Why re - domicile?

- a) Simplicity of procedure
- b) Companies continue their business activity uninterrupted
- c) Tax advantages of Cyprus
- d) Keep existing company name

For more information you may contact us via Email: info@tls.com.cy