

Cyprus Companies General Fact Sheet

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Unless otherwise stated, the following applies only to a Private Limited Company

A. Corporate Information

Shares and Corporate Governance	
Board system	Single tier
Minimum number of directors	One
Nationality requirements for directors	None, under Company Law, but see separate memo regarding tax requirements
Corporate directors permitted?	Yes
Minimum number of shareholders	One
Nationality restrictions on shareholders	None
Company secretary required?	Yes. Can be a corporate company secretary. In the case of a sole shareholder owning the Cyprus company, the director and company secretary can be the same person
Nationality requirements for secretary?	None, but resident secretary advisable as annual returns and other documentation is in Greek
Currency for accounts and share capital	Any for both accounts and share capital
Minimum paid up share capital	Nil
Tax/duty (stamp duty) on issued share capital	0.6% (but not on share premium)

Registrations/Public Disclosure	
EU Directives	As Cyprus is a full member of the European Union, all EU Directives are applicable
Audited accounts	Not required by company law for "small companies" – but in effect required as a result of tax office requirements

Registered office	Yes
Directors' names	Yes (nominee directors are commonly used)
Shareholders' names	Only the registered shareholder is disclosed, and nominee shareholders are commonly used and are not disclosed to any Cyprus authority.
Ultimate beneficial shareholders' names	No disclosure to any government authority is required.
Ultimate corporate parent shareholder's name	Yes, in a note to the Financial Statements

B. General Information

Cyprus – General Features	
Basic corporate tax rate	10%
Corporate forms	Main corporate forms: Public and Private Companies, limited by shares; companies limited by guarantee; limited and general partnerships
Cost level	Low, particularly in comparison with Netherlands, Luxembourg, and even Malta.
Currency	Euro
Economic stability	Good; during the last ten years, the economy of Cyprus has demonstrated solid growth, and government committed to macro-economic stability and its commitment to low inflation, low interest rates and high growth.
Legal system	The Cyprus Company Law, Chapter 113, based on the English Companies Act of 1948.
Political stability	Very stable
Telecommunications infrastructure	Cyprus has good telecommunication links with the rest of the world. There are good postal and courier services.
Memberships	EU, the Commonwealth of Nations (previously known as the British Commonwealth)

C. Government Charges, Fees, etc.

Annual Government charges	
Annual charges	none

Transaction Based Government Costs	
Share transfer duty	Nil
Companies Registry Initial Registration Fee	Flat fee of EUR 102 plus 0.6% of the nominal value of the authorised share capital with no upper limit; usually minimised by using low capital and high share premium.

D. Formation Procedures for a Cypriot Private Limited Company

Name	Name checking can be done online, but formal approval required before a name can be used.
Shelf Companies	Commonly used; immediately available.
Formation of new companies	Memorandum and Articles in Greek drafted by a Cypriot lawyer, signed by one or more subscribers, submitted to the Company Registrar.
Time span for forming new companies	7 to 10 working days

E. Taxation of Cypriot Private Limited Companies

Residency	The management & control principle is the sole test of residency for tax purposes (see separate memo).
Company tax rate (flat rate)	10%

Other	Special contribution for defence at 15% on amount of dividend received – but subject to various exemptions (exemption is usually the case, not the exception).
Balance sheet based taxes	None
Taxed on	Worldwide (global) basis; the net profits of the company are in principle taxed; capital gains are not taxed (see below)
Exempt from tax on	Dividends received under certain conditions
Capital gains	Not taxed, unless directly or indirectly on the sale of Cypriot real estate
Interest withholding tax	Nil
Dividend withholding tax	Nil
Royalty withholding tax	Nil in most cases
Double tax treaties with	Cyprus boasts an extensive network of double tax treaties, currently with almost 50 countries, including countries in North America, Western and Eastern Europe as well as emerging markets such as India and Russia.
Parent Subsidiary Directive + other EU Directives with:	All EU and EEA members
Capital tax on issue of share capital	0.6% (not on share premium).
Thin capitalisation rules	None
CFC rules	None
Tax year	Calendar year
Advance rulings	Readily available

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