IEROTHEOU, KAMPERIS & CO. LLC
ADVOCATES - LEGAL CONSULTANTS

ESTABLISHING A CYPRUS HOLDING COMPANY: UNLOCKING TAX EFFICIENCY

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CYPRUS: A STRONG BUSINESS ECOSYSTEM

- Rated as Grade A economy by all major rating agencies
- Legal system aligned to English Common Law
- Full compliance with EU and international laws and regulations
- Cyprus follows the International Financial Reporting Standards (IFRS)
- 60% of the workshop has tertiary education
- Low cost of doing business
- Low crime and 100% of blue flag beaches
- The most attractive personal tax regime in the EU: tax reductions for employees and non-domicile individuals

THRIVING INDUSTRIES IN CYPRUS

1. Higher Education
2. Healthcare
3. Energy projects
4. Relocation of innovation and tech companies to Cyprus
5. Tourism
6. Investment funds

CYPRUS HOLDING COMPANIES: TAX-EFFICIENT POWERHOUSES

- Tax Advantages
  Cyprus offers a favorable tax regime, with a corporate tax rate of 12.5% on net profits and various tax incentives and exemptions available.
- Growing Double Tax Treaty network with more than 68 countries
- Capital gains tax exemption (except for real estate situated in Cyprus)
- Competitive Intellectual Property regime
- No tax on gains from disposal of shares
- No withholding tax on outgoing dividends paid to non-Cyprus residents
- No inheritance and immovable property tax

The Cyprus holding company

One type of company: private limited liability company by shares (Limited)

The majority of the company directors have to be Cyprus residents in order for the company to be managed and controlled in Cyprus and be Cyprus tax resident

The most common use of the holding company is to efficiently hold and control shares and investments, with favorable tax treatment on dividends, interest, and capital gains.

Establish a Cyprus holding company through these key steps

1. Due diligence process by Ierotheou, Kamperis & Co. Law Firm for AML and client acceptance purposes
2. Drafting of shareholders’ agreement to regulate the relations between the shareholders of the company (if more than one shareholders)
3. Approval of company name by the Cyprus registrar of companies (Registrar) (3-4 working days)
4. Submission of all relevant documents to the Registrar (4-5 working days)
5. Incorporation of the company by the Registrar

First actions for the business activation of a Cyprus holding company

1. Company registration with the Tax Department to obtain a tax identification number
2. Opening of a bank account in a Cyprus or foreign bank
3. Submission of the names and details of the ultimate beneficial owners of the company to the Central Registry
4. Rental of office space and hiring of personnel in Cyprus, if required by the client

IEROTHEOU, KAMPERIS OFFERS EXPERTISE IN INCORPORATING AND FULFILLING STATUTORY DUTIES FOR CYPRIOT COMPANIES

- Bookkeeping and preparation and submission of audited financial statements each year
- Ongoing Compliance with Anti-money laundering and sanctions regulations
- Record Keeping
- Regulatory Filings

Ierotheou, Kamperis & Co. LLC is a law firm that offers foreign clients comprehensive legal and tax advisory services, including assistance with company incorporation and administration, annual compliance and non-dom tax residency registration in Cyprus