

Start your Business in Cyprus

You finally managed the first step of implementation; you gather information on how to set up a business. It might be a bit daunting at first and we cannot guarantee your success. However, we can give you an excellent start by assisting you in building a solid foundation for your business.

Thought

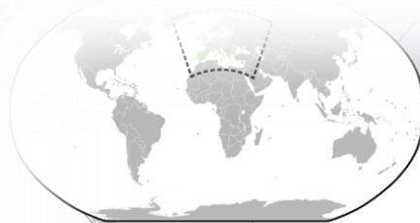
Idea

Implementation

Are you thinking about a country for your start up? How about Cyprus!

Cyprus

Join White November and start your company in Cyprus. An EU member with a strategic location, safe business environment, as well as friendly taxation are just a few of the reasons Cyprus is an ideal location for you.



Are you wondering why Cyprus?

Starting a business in Cyprus seems to be a great option to many people due to warm Mediterranean climate, a slower pace of life and a very low crime rate.

Furthermore, despite the fact that Cyprus is primarily Greek in terms of language and culture, the English language is generally spoken by almost 90% of the population. People in Cyprus drive on the left and all road signs are in English. The lifestyle is relaxed and just like most of the Mediterranean Islands people tend to spend most of their time outdoors.

One of the main objectives of the country's business development policy has been attracting foreign capital and fortunately administrative procedures are simple.

Are you still wondering why Cyprus is such an attractive place to conduct business?

Below are just a few of the many important factors;

- strategic location,
- beneficial tax regime,
- wonderful climate,
- well-developed infrastructure, and
- multilingual well qualified human resources.

Cyprus has always been considered as an idyllic location for investment. In addition, it has become more prominent as an international financial centre in comparison to other nations around the world.

Basic facts about Cyprus

Area	9 243 km ²
Population	1 176 598 (2016)
Currency	Euro
Capital	Nicosia
Nationality	Cypriot
Language	Greek/English

Membership of international groupings/ organisations:

- the European Union (since May 2004)
- the Eurozone (since January 2008)
- the Commonwealth
- WTO (World Trade Organisation)



Key facts about Cyprus

- The standard corporate tax rate for companies registered in Cyprus is one of the lowest in Europe - 12,5%.
- The standard VAT rate is 19%. The minimum annual turnover, which a company has to reach to be mandatory to register for VAT is 15.600 EUR (or 10.251 EUR for acquisition of EU goods).
- No withholding tax applies on the dividends paid by a Cyprus company to its non-Cyprus resident shareholders. No withholding tax applies on dividends received from EU subsidiaries.

Cyprus economic indicators/Macroeconomic facts

Credit rating

Standard & Poor's credit rating for Cyprus stands at BB with positive outlook. Moody's credit rating for Cyprus was last set at B1 with positive outlook. Fitch's credit rating for Cyprus was last reported at BB- with positive outlook. In general, a credit rating is used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of Cyprus thus having a big impact on the country's borrowing costs. Source

Unemployment rate

12% (November 2016)

Inflation rate

-1.2% (November 2016)

GDP

19.32 USD billion (2015)

GDP growth rate

0.7% (December 2016)

GDP annual growth rate

2.9% (December 2016)

GDP per capita

27 377.2 USD (December 2016)

Rates

Corporate income tax

12.5%

Personal income tax

0 - 35%

Chargeable Income (€)	Rate of Tax %	Cumulative Tax (€)
Up to - 19.500	0	0
19.501 - 28.000	20%	1.700
28.001 - 36.300	25%	2.075
36.301 - 60.000	30%	7.110
Over 60.001	35%	

Source

Social security rate

15.6% (7.8% paid by employer, 7.8% paid by employee)

Setting up a company in Cyprus

Since Cyprus joined the EU in 2004, citizens of the EU are allowed to work as a self-employed person or start a business in Cyprus without any restrictions. The exception to this relaxation of regulations is businesses related to financial services that are subject to strict criteria.

Cyprus is a major shipping centre, hosting many foreign banks and overseas companies. Currently more than 250,000 international business companies are registered in Cyprus.

Forms of business

What are the types of companies, that are available for registration in Cyprus? Generally speaking, there are two main and most common types:

- **Limited Liability Companies (called a LTD in Cyprus)**

A LTD can either be private or public. It depends on the types of shares and also on the size of the corporation. There is no minimum share capital however it is customary that private limited companies have an authorised share capital of €5000 and issued share capital of €1000. A public limited company requires a minimum share capital of €25k.

A Private Limited Company requires one or more shareholders. The public limited minimum shareholders are 7 and the maximum is unlimited.

- **Branch, Subsidiary or Representative Office**

These three forms of business can either be formed separately from the parent company or formed as an extension of it in Cyprus. Each mentioned structure has its own requirements

Incorporating a Private Company Limited by Shares (LTD)

Private Company Limited by Shares (LTD) is the most common type of company used in Cyprus. It is supposed to be incorporated by one or more shareholder - maximum up to 50. Nominee shareholders are allowed and widely used.

Companies are deemed to be tax resident in Cyprus if their management and control is exercised in Cyprus. Management and control is deemed to be exercised where:

- The majority of the Directors reside.
- The Board meetings are held.
- The general policy of the Company is formulated.

Different classes of shares with different rights, such as profit sharing, redeemable preference shares and voting rights may be issued. Shares are issued in registered form only. The company must have a Registered Office address in Cyprus. members of this business are liable to the company debts and obligations only to the extent of the nominal value of their shares. Audited annual financial statements and annual returns must be submitted to the Registrar of Companies in both English and Greek.

Registering a Public Company Limited by Shares (PLC)

The minimum capital requirement for a Cyprus Public Limited Liability Company is €25.629. There are no restrictions on foreign investors investing in Cyprus Public Limited Liability Companies. The directors of a Cyprus Public Limited Liability Company can be individuals and/or legal persons and they are not required to hold shares in the company. The minimum number of directors is 2.

Establishing a Cypriot Branch, Subsidiary or Representative Office

Any foreign company is able to set up a branch or representative office in Cyprus. These can be set up as separate entities from the parent company (Cypriot companies having the foreign company as shareholder) or extensions of the parent-company in Cyprus. Also subsidiaries are a popular option of entering the Cypriot market.

Hereunder you will find a brief guide on company formation in Cyprus. However, for tailor made information we suggest a meeting with one of experts to discuss further.

I am starting my business alone, how should I manage all this?

We can provide directorship, a company secretary and a registered office. We also are a licensed fiduciary enabling us to hold shares for you. We take care of all your accounting, VAT and audit requirements.

All of this can be done via email, skype and telephone. We are always accessible to meet your needs.

Requirements

With our assistance, you will need to provide us with the following information:

- Business line of the company
- Three company name suggestions
- Certified true copy of a passport
- Copy of utility bill
- Bank reference
- Shareholder details
- Directors details
- Company Secretary details
- Registered office details



Process

The following six steps will complete the process for setting your company up in Cyprus:

1. Reserve a company name
2. Prepare M&A (we will prepare it for you)
3. File the M&A with the Cyprus Registry of Companies together with Certified copy of a passport (we will file it for you)
4. Register your company with the Trade Register
5. Register for VAT and obtain a tax identification number
6. Open a corporate bank account

Please note if you are interested in setting up a business in following areas, a license is mandatory. :

- ***Finance***
- ***Gaming***
- ***Insurance***
- ***Pharmaceutical industry***

Cyprus Tax Incentives

The use of a Cyprus company in international tax planning can mitigate the overall tax liability arising from an international activity. Proper structuring of a Cyprus company can reduce taxes in the country where the income is earned, lower withholding taxes, reduce or defer taxes of the ultimate beneficial owners and shareholders, increase the return on investments.

The following income and capital gains are totally exempt from Cyprus taxation: Foreign source income of non-residents. Business profits of non-resident companies. Capital Gains realised on the sale of shares in private and public companies. Capital Gains on the disposal of shares in subsidiaries. Dividend income, income of international trusts and capital gains from the sale of property located outside Cyprus.



Company Form

Requirements

Process

Why White November?

White November has extensive experience advising clients internationally, and we have been involved in transactions in virtually every corner of the world. From our offices in London, Malta and Cyprus we offer a wide range of services to both corporations and individuals. We provide advanced, tailor-made solutions with care and confidentiality.

We pride ourselves on being one of the few providers of tax and corporate solutions who focus extensively on developing new technical solutions from our in-house IT department. Our clients have access to state-of-the-art web interfaces allowing easy and safe communication and storage of corporate data.

Our multicultural staff speak your language; Swedish, Norwegian, German, Italian, Czech, Polish, Russian, Maltese, English, Philippine, and Greek.

The White November Story

The name “White November” was inspired by the rare and valuable “white truffle” or “trifola d’Alba Madonna”. The white truffle is found almost exclusively in a small area in Northern Italy. Unlike black truffles, which can be farmed and harvested, white truffles must be hunted by intrepid truffle hunters and their sniffer dogs. As of yet, no one has worked out how to cultivate this unusual truffle, thus increasing its value and desirability.

November is the month in which truffle hunters set out with their dogs in hope of unearthing some of these rare commodities. White truffles have an extremely short season, making November an exciting and lucrative time of the year in the small area where they can be found.

Our name, White November, thus reflects an allegory: white truffles are like your tax solutions and investments – the most rewarding ones are unlikely to just cross your path without some help from experienced, dedicated, and knowledgeable professionals.



Disclaimer: Whilst every effort has been made to ensure that the details contained herein are correct and reflect the conditions at the time of publishing (October 2016), it does not constitute legal or professional advice. White November does not accept responsibility, legal or otherwise, for any errors or omissions.



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Visit our Cypriot office for a complimentary introduction.

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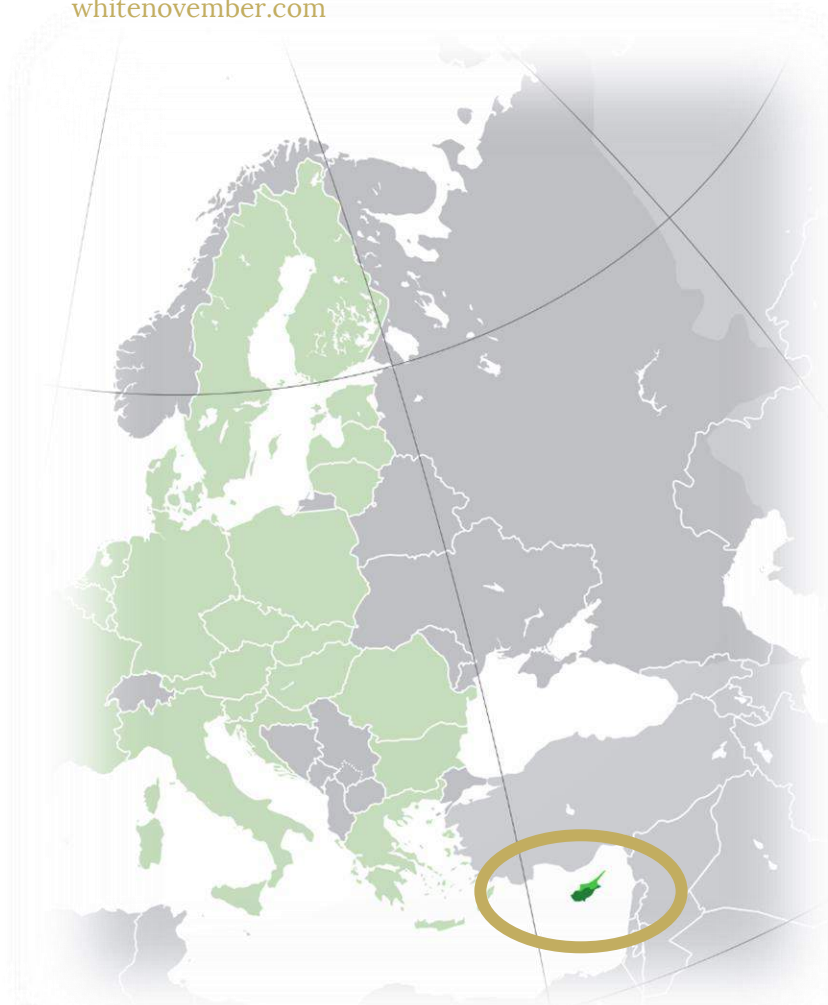
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