

CYPRUS, PARALIMNI | JANUARY 2016

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Cyprus tax residency is a must for foreign citizens

General Information



Great Opportunities for Living Investments



Cyprus has been a full member of the European Union since 2004



A member of the Eurozone since 2008



The strategic position of Cyprus, connecting Europe, Middle East, Asia and Africa gives the island great opportunities for business

The OECD Directive on Transparency



New Transparency Standards

This Directive will oblige the banks in the 95 countries that signed the OECD "Automatic Exchange of Financial Account Information" to give details of their clients' bank accounts to the clients' home countries, with the first exchanges of information to occur in 2017 or 2018.

For example, it will apply to Ukrainians and Russians, living in their home countries and having bank accounts outside it. Their banks abroad are obliged to inform the authorities of the home countries about their bank accounts.



Non-Cypriots with Cyprus Tax Registration will be in a position to instruct their bankers abroad that they have Cyprus Tax Residency and that disclosure of any details of their bank accounts shall be limited to the Cypriot Tax Authorities ONLY and NOT to any other Country.

Taxation benefits for non-domiciled tax residents of Cyprus



Taxes before and after Law Amendments



In an effort to enhance the competitiveness of Cyprus and make it more attractive to foreign citizens to become Cyprus Tax Residents and declare their worldwide income in Cyprus, a law was passed introducing the “Domicile” concept.

According to this Law – from July 2015 individuals who are Cyprus Tax Residents but have not been resident in Cyprus for 17 of the past 20 years are classed as “Non-Domiciled” and there is no tax payable on their income in Cyprus or abroad on Bank Interest and Dividends. A large part of the income of high net worth individuals is usually comprised of dividends and interest.

	BEFORE JULY 15 TH 2015	AFTER JULY 15 TH 2015
Profits from disposal of shares, bonds and other similar financial instruments	Zero	Zero
Income from Bank Interest	30 %	Zero
Income from Dividends	17 %	Zero

Other Cyprus tax advantages for individuals

- Immovable Property purchased in Cyprus before 31 Dec 2016 will be exempt from Capital gains Tax (20%) on any future disposal of that property where a capital gain may be realised.
- Capital Gains Tax is not payable on any gain realised from the sale of immovable property located outside Cyprus.
- No Inheritance Tax, No Wealth Tax, No Gift Taxation.
- Individuals who are beneficiaries of a Trust, are exempt from tax in Cyprus, to the extent that the income from the Trust is in the form of Interest or Dividends.

Tax Residents in Cyprus



To be Cypriot Tax – Resident – legal basis

*An individual is considered to be a resident of Cyprus for tax purposes if physically present in Cyprus for a period or periods exceeding **183 days in total during any calendar year***

To prove your presence you need to show payments of utility bills registered on your name, as the owner or tenant of a property with a purchase or rental contract and have physically visited Cyprus

You need to have a **Cyprus Tax Identification Number**

You need to submit personal **Annual Tax Returns**. Time deadline for individual self-employed tax returns in Cyprus is September 30st every year, following the reporting year. Please note there is an one-off 100 EUR penalty fee after this deadline. For the completion and submission on the Annual Tax Returns details of income will be required.

Your funds do **not have need to be in a Cypriot Bank**. However, we can open a bank account for you in Cyprus, in case of need or requirement.

Your worldwide income will be taxed and payable in Cyprus at Cyprus Rates since you will have Cypriot Tax Residency

Our office will provide you with Registration and Annual Support. We provide foreign citizens who have **tax registration in Cyprus** with a specific letter to inform their foreign banks that they are **tax residents of Cyprus and instruct them to disclose information relating to their accounts abroad, only to the Cyprus authorities and not to any other country**

This also includes direct contact with your foreign banks about Cypriot Tax Residence, with supporting legal documents from the Cypriot Tax Authorities, to verify this status.

According to the OECD "Automatic Exchange of Financial Account Information" your banks abroad will inform the authorities in your country of residence of about your bank accounts. This means Cyprus if you have Cypriot Tax Residence and NOT any other authorities

Tax residents in Cyprus new real benefits



Advantages

TAX RESIDENCY



0% taxes

Bank transparency
for beneficiary or
owners

TAX RETURN



Income defined

Up to 10 years

Minimum taxes

PROFIT



Show profit up to 10
years back

Positive result on
compliance

D. Papademetriou Ltd, Chartered Accountants.



Of course we can!



**MR. DEMETRIS
PAPADEMETRIOU**

Graduated from Manchester University in the UK with an M.Sc in Statistics and Dp.B.A from Manchester Business School.

He went on to qualify as a Chartered Accountant (ICAEW) with Coopers & Lybrand in London, in 1984



We are a sole practitioner Chartered Accountancy firm in practice for 24 years based in Paralimni, Cyprus, with one Partner and eleven members of staff. We provide services for small and medium sized enterprises incorporated in Cyprus and abroad



Our emphasis is on personal service. All our team members are involved directly in the work being done and are easy to reach at all times



As an independent, skilled and innovative all-rounder firm, we advise clients on important decisions about daily and personal matters. We offer all services in-house



The quality of service is not negotiable because we want our clients to be proud of us, to trust us and have complete confidence in the work that we do for them



We are very flexible in the pricing of our services and we have the knowledge, experience and qualifications to provide a better, more prompt and friendly service

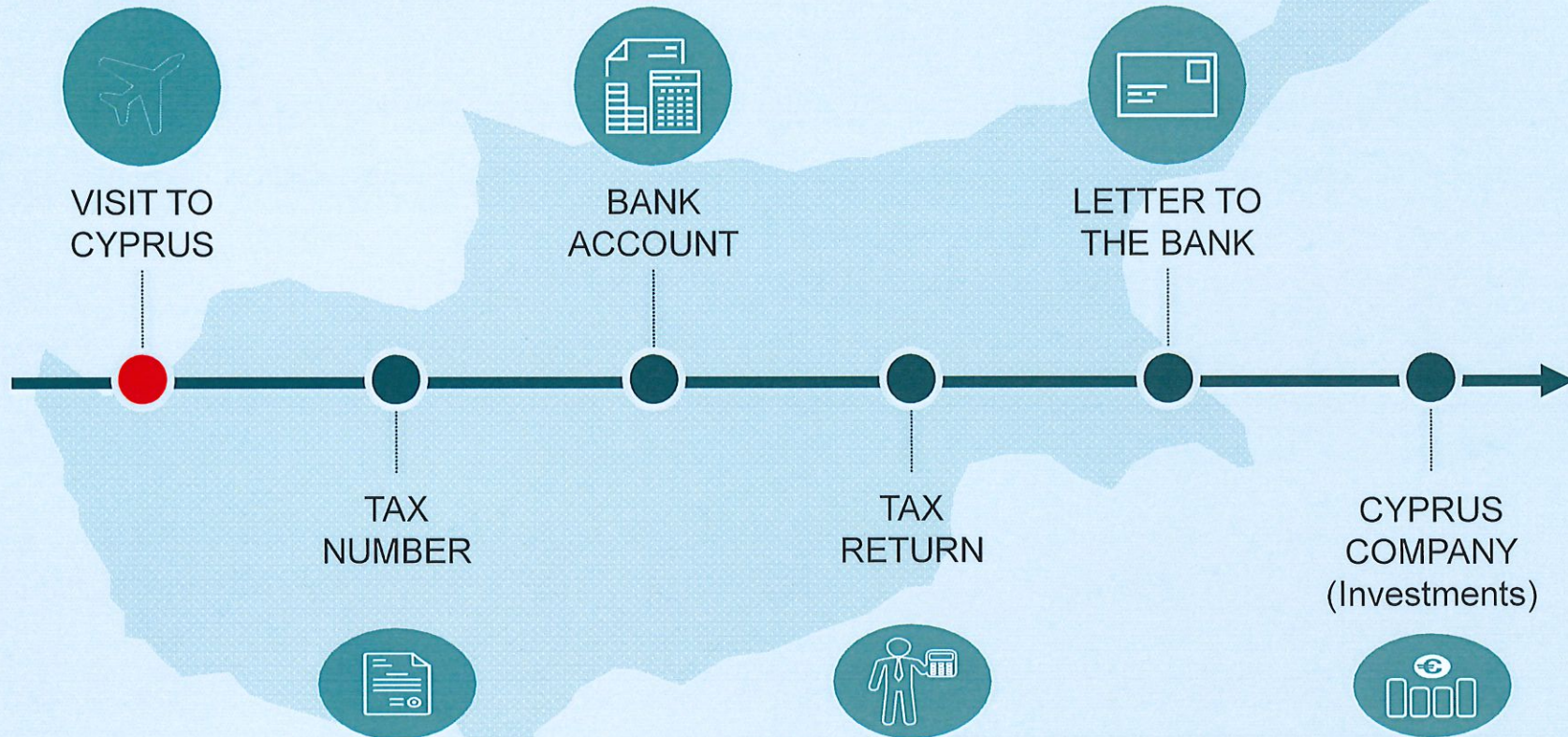


Apart from local clients we have clients from Russia, Ukraine, Hungary, Czech Republic, Italy, Norway, Slovakia, Sweden, England, Greece, U.A.E, etc.

A simple way to success



How to acquire Cyprus Non-Domiciled Tax Status



* We may start the process before your visit, but a personal discussion is necessary .

The Costs & Requirements for Persons not presently Cyprus Non Domiciled Tax Residents



Non-domiciled tax registration in Cyprus

SERVICES PROVIDED

Registration with the Cyprus Tax Authorities (1 st year)	X
Preparation and submission of Annual Tax Return	X
Certificate of Tax Residency	X
House ownership or rental with utility bill	X
Local bank Account	X
Certificate issued by the Tax Department of Cyprus in a format designed in accordance with the Council Directive 2003/48/EC	X

FEES

1 st year	€5,000 / person
Afterwards (Annually)	€2,000 / person
Utility Bill expenses (Annually)	€500

Consultation Meetings and Follow Up on any outstanding matters is included

Additional Possibilities



*Real Business
for Tax residents*

Further Opportunities can arise with the creation of a Cyprus Company for International Business

The Owner (Beneficiary) of this Company – A Tax Resident in Cyprus – can act with the required transparency according to compliance of banks in Cyprus and other countries where the company plans to open accounts

We can set up a Cyprus (Nominee) Company, and support its activity with a bank account and offer accounting and auditing support on an annual fee basis

Indicative Charges



Indicative Charges

(B) ANNUAL FEES

Dormant Company (does not trade): **€600 / year including nominees**

Includes filing of Annual Return with the Registrar of Companies and filing dormant company accounts with the Tax Department.

Trading Company: the fees charged vary depending on the volume of the work

- VAT Returns: **€300 to €700 / quarter**
- Yearly Audited accounts: **€500 to €1000**
- Yearly Annual Return: **€50 (Filing company annual return with the Registrar of Companies)**

Nominees

- Director
 - Secretary
 - Shareholder
- €360 (annually)**

(A) CYPRUS COMPANIES

Registration Fees: ~ **€2.000** (It takes up to 10 working days)

Includes the following:

- ➔ Certificate of Directors & Secretary
- ➔ Certificate of Shareholders
- ➔ Certificate of Registration
- ➔ Certificate of Registered office
- ➔ Certificate of Good Standing
- ➔ Memorandum & Articles of Association
- ➔ Nominee directors/secretary/shareholders
- ➔ Registration for VAT & VIES
- ➔ Registration for Taxation
- ➔ Provision of Registered office
- ➔ All documents apostilled

New Certificates

- ➔ With changes, €60 per document
- ➔ Without changes, €40 per document
- ➔ Apostilled, €20 per document

Indicative Charges



Indicative Charges

(C) BANK ACCOUNT OPENING IN CYPRUS

€200 to €300 depending on the degree of difficulty

- Hellenic Bank Plc
- Piraeus Bank Plc
- Promsvyaz Bank – Limassol Branch
- Bank of Cyprus Plc

(D) CYPRUS TAX RESIDENCY FOR EUROPEANS (YELLOW SLIP)

€700

Involves:

- Paying National Insurance contributions for a certain period.
- Obtaining Certificate of Registration from the Immigration Dept.
- Six months after, we file a tax return with a rental agreement of a property in Cyprus to obtain Tax Residency.
- Can get also a European Health Card but payment of national insurance contributions in Cyprus is required.

(E) OFFSHORE COMPANIES

Caribbean:

- St Vincent and the Grenadines: **€1.000 or €1.200 with bank account** (Loyal Bank Ltd – St Vincent). Includes one year company fees and MasterCard Debit Card

UK Company:

- €500 Including a UK Registered Office

Dubai:

- Registration €1.200, Annual Renewal €300, New certificate €60 each, bank account €300 at a UAE Bank

The above will take approx. 5-10 working days



Contacts

Business Associates of PMoleskis Group of Companies

D. Papademetriou Ltd

Certified Public Accountants and Registered Auditors

Member of the Institute of Certified Public Accountants of Cyprus

Member of the Institute of Chartered Accountants of England and Wales

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