

CYPRUS

1. Company law:	Companies Law, Cap 113 as amended.
2. Types of company:	<p>Public companies limited by shares, private companies limited by shares, companies limited by guarantee.</p> <p>(a) Type of company preferred for international transactions: Private company limited by shares, managed and controlled by Cypriot residents.</p> <p>(b) Shareless companies: Companies Limited by guarantee are allowed.</p>
3. Capital requirements:	For private companies at least one share of any value and for public companies limited by shares EUR 26.000.
4. Costs to incorporate, excluding government fees:	Fees depend upon the legal consultancy firm involved in the incorporation process. The actual costs are greatly dependent on the work involved and the complexity of the Articles of Association.
5. Fees paid to authorities to incorporate:	A flat fee of EUR 102 plus 0.6% of the nominal value of authorised share capital with no upper limit.
6. Annual fees paid to authorities:	An annual fee was introduced, in August 2011, EUR 350 payable by all registered companies.
7. Taxation rates applied to companies generally:	<p>The taxation system is based on residence. Residence is determined by a management and control test and will depend on the residence of the majority of the board and where board decisions are effectively made. The corporate tax rate for all companies is 10% (on profits). A tax credit is available for taxes paid in other jurisdictions. There is an exemption from tax on the profit from the sale of shares. Dividend income from abroad is exempted from tax in Cyprus provided that the foreign tax burden is over 5% and more than 50% of the paying company's activities result directly or indirectly in investment income. Profits from a foreign permanent establishment are usually tax free in Cyprus. Dividends paid to non-Cypriot shareholders are tax free.</p> <p>(a) The taxation of companies in 2(a): As above</p>
8. Method of Incorporation:	Approval of the company name and then submission to the Registrar of Companies of the Memorandum and Articles of Association signed by the initial subscribers together with the Declaration of Compliance signed by a local practising lawyer.

9. Who may incorporate – are local professionals required?	<p>Only local practising lawyers (in-house lawyers are not considered practicing) may incorporate Cyprus Companies.</p> <p>(a) Are ready made/shelf companies available? Yes, they are available by professional firms.</p>
10. Length of time to incorporate:	<p>One to three days on payment of “fast track procedure” fee.</p>
11. Minimum number of members:	<p>One for private companies and seven for public companies.</p>
12. Directors and secretary:	<p>(a) Must there be a resident director/secretary? No. A minimum of one for private companies and two for public companies. Where a single member private company is concerned, the sole director may also be secretary. It is advisable to have Cypriot resident directors to fulfill any management and control requirements. As for secretaries, there is no requirement but it is advisable to have a resident secretary as documentation submitted to the Registrar of Companies is in the Greek language.</p> <p>(b) Are corporate directors allowed? Yes</p> <p>(c) Is a local registered agent required? No</p> <p>(d) Are “shadow” directors required to be registered? No</p>
13. Amount of fees payable to appointee directors/ secretary:	<p>EUR 500 for a director and EUR 300 for the secretary (not based on the Companies law).</p>
14. Annual Meetings:	<p>The first Annual General Meeting must be held within 18 months from incorporation and thereafter every year. Annual and Extraordinary General Meetings are necessary, among others, to approve the audited financial statements.</p>
15. Is an annual return filed with details of directors and members?	<p>Yes</p>
16. Accounts:	<p>(a) Must financial statements of a company be audited?: Yes, by an approved local auditor.</p> <p>(b) Are annual accounts filed with annual returns? Yes</p>
17. Are there any exchange control or other	<p>No</p>

financial restraints?	
18. Is migration of companies permitted?	Yes
19. Must foreign companies administered locally be registered?	Overseas companies which establish a place of business must within one month from the establishment, be registered with the Registrar of Companies.
20. Are protected cell companies permitted?	Not applicable.
21. Are civil-law type foundations possible?	No
22. Are common-law foundations possible?	Yes
23. Can LLCs be formed?	Yes
24. Are regulators empowered to request the production of:	(a) Information on the identity and background of beneficial owners and officers: Yes, with a Court Order. (b) Accounting information on companies: The audited financial statements of the companies are submitted to the Tax Authorities and filed with the Registrar of Companies.
25. Can such information be exchanged with other jurisdictions?	Cyprus is OECD compliant and also covered by relevant clauses in double tax treaties.
26. Any amendments to company law over the last 12 months?	Yes. A law amending the Companies Law, Cap. 113 was voted for in 2011 which regulates claims of cover pool creditors.
27. Anticipated amendments to company law in 2013:	The regulation of Fiduciaries, Company directors and Corporate Services Consultants Bill is expected to be passed by the House of Representatives.