



## Amendment to Cyprus Company Law

On 26 August 2011 the House of Representatives voted a first package of austerity measures and at the same time aiming at maintaining the competitiveness of Cyprus as an international business and financial centre.

### **1. COMPANY LAW CHANGE**

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As from 2011 an annual levy of €350 is introduced for all companies incorporated in Cyprus payable to the Registrar of Companies. For groups of companies the maximum levy is fixed at €20,000.

The levy for 2011 must be paid by 31 December 2011, whereas the levy for 2012 onwards must be paid by 30 June of each year.

Dormant companies, companies which do not own any assets, as well as companies owning property located in the non Government controlled areas of Cyprus are exempted from the payment of the levy.

In case where the levy is not paid within the prescribed period and

- the levy is paid within 2 months from the due date, a penalty of 10% is payable and
- Is increased to 30% if the levy is paid within 5 months from the due date.
- If the levy is not paid within 5 months, the Registrar of Companies will remove the company from the registry (something which is expected to restrict the company from filing documents or requesting certificates from the Registrar's office).
- The return of the company to the registry can be affected within 2 years with the payment of a levy of €500 per annum and thereafter with the payment of a levy of €750 per annum.