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| Accountants | Auditors | Tax Consultants |

CYPRUS

The gateway to international investors



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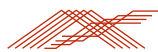
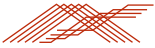


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Foreword

Cyprus, a long established business centre offers the ideal location through which investors can channel their investments anywhere in the world. Cyprus has gained this enviable position through its unique geographical location, its advanced infrastructure and services, the very competitive tax regime, its strong legal and regulatory framework based on UK common law and other strategic advantages.

The island's entry into the EU and the EU-Monetary Union has established Cyprus as the ideal gateway for investments to and from EU.

Cyprus, offers unique tax opportunities to international businesses – low corporate tax rate, a network of favorable double tax treaties, no withholding tax on dividends and interest paid, no capital gains on profits from the disposal of shares and securities, exemption of taxes on foreign dividends and interest received. It complies with the EU directives and the OECD requirements against harmful tax practices.

Public/private companies and funds (UCITS and ICIS) registered in Cyprus can be used as efficient investment vehicles. A company or fund registered in Cyprus can conduct public offers in other EU member states or have their shares admitted on an EU regulated stock exchange. Cyprus holding companies are tax efficient and popular to invest in EU and non-EU countries.

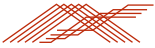
All the above positive arguments, along with the strong incentives given by the Cyprus Government with regards to Cyprus citizenship by investment scheme have created excellent opportunities for professionals to establish Cyprus as a major financial center within the European Union.

At Apserou Shiaka & Co, we can help you to determine your tax strategy of your business whether you are looking to use Cyprus as a base for your international operations or to invest in Cyprus. We provide professional services which include accounting, audit, tax, legal and business advisory.

We shall be pleased to hear from you.

Maria Shiaka

2016



Cyprus: The ideal place for international business activities

With new regulation such as the OECD Common Reporting Standard, the establishment of substance and physical presence is an increasingly important aspect for business. Cyprus is increasingly ranked on the shortlist of decision makers when it comes to choosing the right location to establish international and regional headquarters. Multinationals from a range of different sectors have already chosen Cyprus as the location for their regional headquarters. Cyprus is also one of the most influential global hubs for ship owning and ship management services.

The strong and advantageous legislative framework, the island has attracted some of the world's most influential names in shipping. Today, Cyprus is the largest third party ship management center in Europe and the largest crew management center in the world, while the island's international ship register is the largest in Europe and the 10th largest in the world.

Main features of Cyprus

Cyprus is located in the Eastern Mediterranean at the crossroads of Europe, the Middle East and Africa. Its strategic position plays a key role in trade and international business

An EU member state since May 2004 and member of Eurozone since 2008

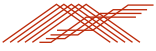
A well advanced infrastructure, educational institutions and medical centers

The telecommunications infrastructure of Cyprus is well developed and companies are equipped with the latest technology

A well educated workforce and low cost business environment

High quality of life and the cost of living is low compared to other international financial centres

The Banking, Legal and Accounting Services in Cyprus closely follow the British pattern. Many Cypriot Banks have branches or representative offices throughout the world and International Banks also have branches on the island.



An investor friendly tax regime with an extensive network of double taxation agreements with around 60 countries

The new guidelines issued by the Cypriot VAT authorities make Cyprus the most attractive jurisdiction for private aircraft and Yacht registration in the EU.

Investment fund jurisdiction

The discovery of significant Natural Gas reserves within Cyprus' EEZ brings new opportunities

Plans for a Science and Technology Park are in progress and are expected to boost business focusing on research, technology and innovation.

Government residency and citizenship Schemes encourages property investments for non-EU citizens



Main features of the Cyprus Tax System

The main features of the Cyprus Tax system are summarized as below

Corporate taxation

The favorable provisions of the Cyprus tax legislation as well as the wide network of double taxation treaties make the Cyprus holding company ideal for international tax planning purposes.

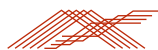
Company tax residency

In accordance with the Cyprus Income Tax Laws, a company should be tax resident in Cyprus to enjoy the Cyprus Tax Benefits and to qualify for the Double Tax Treaty treatment.

A company is considered as Cyprus Tax resident if the effective management and control is exercised in Cyprus. The following factors are considered:

- The majority of the members of Board of Directors are tax resident in Cyprus and exercise their office from Cyprus
- The Board Meetings take place in Cyprus and the major (and preferably day to day) decisions are properly taken during these meetings. During the meetings written resolutions, agreements, contracts and other documents which relates to the management and administration of the company are signed.
- Actual administration office where actual management and control of the company will be exercised.
- Hard copies of commercial documentation are stored in the office facilities of the company
- Accounting records are prepared and kept in Cyprus
- The annual audited financial statements are approved during these meetings
- The Board of Directors control the bank accounts even if they are established outside Cyprus
- The place where the seal of the company is authorized to be used





The taxation of the Cyprus Tax resident companies

A company which is tax resident in Cyprus is taxed on its worldwide income.

Double tax treaty relief

The credit method is followed for granting relief for any foreign tax paid on income arising in the foreign country, against the Cyprus tax payable on the same income.

European Union Directives

Cyprus has adopted all EU Directives in relation to taxation including the Parents Subsidiary Directive, the Interest and Royalty Directive, the Tax Savings Directive and the Mergers Directive.

The EU Parent Subsidiary Directive exempts the withholding tax deduction on dividends and other profit distributions paid by EU subsidiary companies to their EU parent companies and eliminate double taxation of dividend income at the level of the parent company. The main criterion that needs to be met is that the parent holds at least 10% of the share capital of the subsidiary.

The taxation of the Cyprus Non-Tax resident companies

A company which is non-tax resident of Cyprus, will only be taxed on its profits arising from a permanent establishment in Cyprus. The company will not be able to have access to the benefits of the double tax treaties and access to the EU Directives is not required. It is just an EU based / incorporated company for commercial purposes.

The term "permanent establishment" basically includes:

- an office,
- a branch,
- a factory or laboratory,
- a mine,
- an oilfield,
- or a construction site for a project exceeding three months.

The main advantages of the Cyprus tax system are summarized below:

Income tax rate

- 12.5% uniform corporate tax on trading profits.

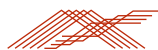
Tax exempt income

- Dividend income received from abroad is exempt and from July 9, 2016 non domicile but tax residents are not liable to the Special Contribution for Defense Fund (SCDF)
- Capital gains on sale of Securities are tax exempt. Profits from the sale of shares are not taxable unless they relate to immovable property situated in Cyprus. The profits arising from the disposal of immovable property are exempt from Capital Gains Tax provided the property was acquired from July 2015 until December 31, 2016
- Capital gains from the sale of immovable property situated outside Cyprus is tax exempt
- Foreign Permanent Establishment profits exempt (subject to conditions)
- Rent income from preserved buildings

Other

No thin capitalization rules and formal transfer pricing rules exist in the Cyprus Income Tax Law. However, the income tax law is specific that the arm's length principle should be adhered at all times.

- Taxable losses are carried forward for a period of five years from the year to which the profits relate.
- Losses arising from a PE abroad can be offset against the profits arising in Cyprus. Any future profits of the foreign PE will be taxable under the Cyprus Income Tax up to the amount of the losses already surrendered to the Cyprus Company.
- Group Loss relief provisions are available
- No withholding tax on outward payments (Dividends-Interest-Royalties) to non Cyprus tax residents (companies or individuals)
- Tax free corporate re-domiciliation permitted
- Possibility for establishing an SE (European Company)



- Applicability of all EU directives
- Advance ruling practice exists
- Extensive Double Tax Treaty network

The New equity and notional interest deduction for Cyprus Companies (NID)

According to the amending law, companies resident in Cyprus or companies not resident in Cyprus with a permanent establishment in Cyprus can claim a notional interest deduction (NID) in respect of new equity.

Reorganizations

The Income Tax Law adopts the relevant EU directive whereby reorganizations, amalgamations, mergers and acquisitions can be effected without any tax implications.

Dividends

There is no withholding tax on dividends in the case where the recipient is an overseas company or an individual. Only individuals who have their domicile in Cyprus are subject to Special Defense Contribution of 17% on dividends received.

Deemed Dividend Distribution

A company which is resident in Cyprus (including an Investment Fund) is deemed to have distributed at least 70% of its profits arising or accruing in the year of assessment, after corporation tax paid or payable on such profits, in the form of dividends to its interested shareholders as at the end of the period of two years from the end of the year of assessment to which the profits relate. Any special contribution payable by the shareholder concerned in consequence of a deemed dividend distribution shall in the first instance be paid by the company at the rate of 17% which will debit such contribution to the shareholders. The provisions of DDD are only applicable to the extent of Cyprus Investors who have their domicile in Cyprus.

Interest Income

Active interest income (interest income effectively connected with the carrying on of a trade or business of the company) is subject to the corporate income tax rate of 12.5% as regular trading income after the deduction of

any relevant expenses.

Passive interest income, (income not connected to a trade or business), is exempt from corporate income tax purposes but taxed at the level of the Special Contribution for Defense (SCD) at thirty percent (30%) on a gross basis. Individuals who are not “domiciled” in Cyprus be exempted from the payment of the SCD on income from interest even if they are considered as tax residents of Cyprus

Rental Income

Rental income from immovable property located in Cyprus and profit from sale of goodwill in Cyprus is also taxable irrespective of the existence of a permanent establishment. This income is taxable under both income tax law and Special Contribution for Defense law. Non domiciled individuals are not liable to Special Contribution for Defense.

Personal Income Tax

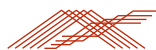
Residence

The Cyprus Income Tax Law defines a “resident in the Republic”, when applied to an individual, to being an individual who stays in the Republic for a period or periods exceeding in aggregate 183 days in the year of assessment. A “nonresident or resident outside the Republic” will be construed accordingly.

Resident persons will be charged to tax on their worldwide income.

Non-resident persons will be charged to tax on their income accruing or arising in respect of:

- Income from any trade, business, profession or vocation carried on or exercised as far as attributable to a permanent establishment in Cyprus
- Profits or other benefits from any office or employment exercised in Cyprus
- Any pension as a result from a past employment exercised in Cyprus with the exception of any pension paid out of funds created by the Government or a local authority
- Rents from property situated in Cyprus
- Trade Goodwill from sources within Cyprus



Rates of Tax

The Income Tax rates for individuals are progressive as seen from the table below:

| Chargeable Income EUR | Rate of Tax % | Cumulative Tax EUR |
|--------------------------|------------------|--------------------------|
| Up to – 19.500 | Nil | Nil |
| 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 | |

Salaried income

In addition to remuneration in cash, virtually all benefits in kind received by an employee for work or services rendered constitute taxable income and subject to the progressive tax rates indicated above.

First employment in Cyprus by previously non residents

- **Exemption of 20% of remuneration with a maximum amount of €8.550 annually**

Remuneration from any employment exercised in Cyprus by an individual who was not a resident of Cyprus before the commencement of the employment. For employments commencing during or after 2012 the exemption applies for a period of 5 years starting from the tax year following the year of commencement of the employment with the last eligible tax year being 2020. This exemption cannot be claimed in addition to the 50% employment income exemption (see below).

- **Exemption of 50% of remuneration when income exceeds €100.000**

Under the previous law, a 50% exemption is granted from employment income in Cyprus that exceeds €100.000 p.a. by an individual who was not a resident of Cyprus before the commencement of the employment. The exemption was applicable for the first five years of employment commencing 1 January 2012.

Under the new provisions

- the 50% exemption from employment income in Cyprus applies for a period of 10 years and
- for employments commencing as from 1 January 2015 the exemption will not be granted in case the said individual was a Cyprus tax resident for 3 (or more) tax years out of the 5 tax years immediately prior to the tax year of commencement of the employment nor in the preceding tax year.
- in certain cases, it is possible to claim the exemption where income falls below €100.000 per annum.

Employment income from a nonresident employer

Remuneration derived from the rendering of salaried services outside Cyprus to a nonresident employer or to a permanent establishment situated outside Cyprus of a resident employer for a total aggregate period in the year of assessment of more than **90 days** will be exempted from tax.

Rental Income

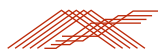
Income, earned by a Cyprus tax resident individual, arising from the rental of immovable property which is situated in Cyprus is taxable both under the Cyprus Income Tax and the Special Contribution Tax legislation as follows:

i. Individual Income Tax

80% of the rental income derived by the client from the rental of the immovable property which is situated in Cyprus (reduced by the wear and tear allowance plus any interest expenses suffered towards the acquisition of the property) will be included in his/her personal income and subject to the progressive personal income tax rates illustrated above.

ii. Special Contribution Tax (applies only to Cyprus Tax Resident Companies and individuals who are domiciled in Cyprus)

Under the Special Contribution tax, an amount of twenty five percent (25%) is deducted from the gross amount of rental income. After such deduction has been effected, the remaining gross amount is subject to special contribution tax at a rate of three percent (3%).



Interest income

The total interest income derived by a Cyprus tax resident individual will be exempt from corporate income tax. However the gross interest received or credited will be subject to Special Contribution for the Defense tax at the rate of 30%.

Foreign pensions

Foreign pensions in respect of services rendered abroad are tax free in respect of the first €3.417, thereafter are taxed at a flat rate of 5 percent. Alternatively, if it is to the recipients benefit, he/she may exercise the option every year to be taxed at the normal rates.

In case that any foreign tax is imposed on such pension, this can be given as a tax credit against the Cyprus tax on the same income.

Wealth Taxes

Cyprus imposes no tax on wealth.

Special Contribution for Defense

Non – domiciled persons are exempt from the payment of Special Contribution for Defense.

Before July 2015 individuals were subject to Special Contribution for Defense if they were tax resident in Cyprus. As from July 16, the Law has been amended and is as follows:

Legal entities are subject to Special Contribution for Defense if they are **tax resident** in Cyprus.

Individuals are subject to Special contribution for defense if they are both **Cyprus tax resident and Cyprus domiciled**.

For the purposes of Special Contribution for Defense an individual is domiciled in Cyprus if he / she has a domicile of origin in Cyprus per the Wills and Succession Law or if he / she has been resident in Cyprus for at least 17 out of the 20 tax years immediately prior to the tax year of assessment.

Taxation on Dividends payable

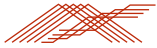
When a Cyprus Tax Resident and Cyprus Domicile receives dividend income 17% is withheld on the gross amount of dividends remitted.

Deemed Dividend Distribution provisions

If a Cyprus tax resident company does not distribute seventy per cent (70%) of its accounting profits accruing in a financial year in the form of a dividend to its Cyprus tax resident shareholders (Companies and Individuals) within two years following the year to which the profits relate, then 70% of the company's accounting profits will be deemed to have been distributed and Special Defense Contribution tax will be imposed at a rate of 17% on the deemed distribution amount.

The amount of dividends deemed to have been distributed is reduced by any actual dividends which have been distributed during the two year period starting from the end of the year of assessment to which the profits relate.

If the ultimate shareholders of a Cyprus tax resident company are non-domiciled of Cyprus, deemed dividend distribution provisions are not applied.

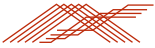


Thus, profits arising in a Cyprus company can be accumulated for as long as the shareholders wish, since the shareholders are not tax residents of Cyprus, for further financing or reinvestment in the group if so desired, without any obligation to distribute the dividends.

Dividends receivable by a Cyprus Company

Dividends receivable by a Cyprus company will be exempt from the Special Contribution for Defense (SCD) tax if the following conditions are satisfied:

- The company paying the dividend must not engage more than fifty percent directly or indirectly in activities which lead to passive income (non-trading income); and
- The foreign tax is not substantially lower than the tax rate payable in Cyprus;
- If the above conditions are not satisfied, then dividends will be subject to Special Contribution for Defense tax (SCD) at the rate of 17%.



Notional Interest Deduction (NID) on capital

Companies resident in Cyprus or companies not resident in Cyprus with a permanent establishment in Cyprus can claim a notional interest deduction (NID) in respect of new equity. The new equity can be contributed in cash or in assets in kind and is used to finance business assets.

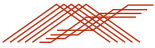
NID is calculated by multiplying the "new equity" with the "reference interest rate".

- **"Reference interest Rate"** means the yield rate of the 10 year government bonds of the Country where the funds are employed increased by 3 percentage points, with a minimum rate of return the 10 year government bonds of the Republic, increased by 3 percentage points as at 31 December of the year preceding the tax year. The minimum applicable reference interest rate for Cyprus companies in 2015 was 8% (5%+3%).
- **«new equity»** means the equity which has been introduced in the company on or after January 1, 2015, but which do not include amounts that have been capitalized and are derived from the revaluation of movable or immovable securities
- **«Old equity»** means the equity that existed on December 31, 2014
- **«equity»** means the issued share capital and share premium from the issue of shares to the extent that they have been paid.
- Capital is not considered as new equity, if the funds that have been introduced in the company on or after January 1, 2015 which directly or indirectly relate to the reserves outstanding as at December 31, 2014 and are not related to new assets used in the business.

Anti-abuse provisions

- The amount of NID may not exceed the rate of eighty percent (80%) of taxable income and cannot be carried forward to future tax years
- The Tax Commissioner may restrict the amount of NID if he considers that arrangements have been put into place aiming to benefit from the deduction with no valid economic or commercial reason.





Non-domiciled status

In July, 2015, the Cypriot House of Representative voted significant amendments to the Cyprus tax legislation. Most of these amendments aim to the modernization of the Cyprus tax system and improve the competitiveness of Cyprus in attracting foreign investment. All changes made were aligned with global and European Union (EU) developments in the field of corporate taxation.

One of the most important changes made to the Cyprus legislation was the introduction of the non-domiciled individual concept. The non-domiciled status might be a viable solution for high-earners to optimise their taxes and relocate to Cyprus and use Cyprus as their business centres, by transferring the head-quarters of their business and creating real substance.

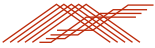
For tax purposes, an individual is considered to be a Cypriot tax resident if he/she is physically present in Cyprus for a period or periods exceeding in aggregate 183 days during a particular calendar year. The Cyprus tax resident individual is then liable to Cyprus income tax on his/her worldwide income and before July, 2015 to Cyprus Defence Tax. The Cypriot tax resident who is not "domicile" in Cyprus is exempted from the payment of the Special Contribution for Defence on the following income even if they are considered as tax residents of Cyprus

- dividends
- passive interest income and
- rental income

For purposes of the Law, an individual is domiciled in Cyprus if he has his domicile of origin in Cyprus based on the provisions of the Wills and Succession Law excluding

1. An individual who has his domicile of origin in Cyprus, has obtained and maintained domicile of choice outside Cyprus, based on the provisions of the Wills and Succession Law, provided that he was not tax resident in Cyprus for any period of at least 20 consecutive years before the tax year, or
2. An individual who was not a tax resident in the Republic for at least 20 consecutive years immediately before the entry into force of the Law.

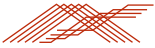
An individual is considered to have his domicile in Cyprus for the purposes of this Law if he was a tax resident in



Cyprus for at least 17 out of the last 20 years before the tax year, irrespective of whether or not has his domicile of origin in Cyprus.

The following points should be taken into consideration

- An individual must at all times have one single domicile and cannot be without a domicile at any given time
- Until a new domicile is acquired the existing domicile is valid
- The domicile is distinct irrespective of an individual's nationality, citizenship and residence status



Cyprus Citizenship by investment program

Cyprus has been described by many as the best place to live. With its warm and stable climate and convenient geographical position Cyprus is considered an attractive place for residence. The island is classified as one of the sunniest European locations with at least 300 days of sunshine a year and it is famous for its clear blue sea and beaches. It has recently been designated the 5th best relocation destination in the world by a report published by a leading independent, global real estate consultancy firm.

In addition to pleasant weather, the investment landscape in Cyprus is beneficial due to the island's well-qualified people, attractive taxation and a reliable transport and telecommunications system. Cyprus ranks highly because of its favourable tax regime for new residents, particularly high net worth individuals.

Cyprus has a modern, free-market, service-based economy, with an effective and transparent regulatory and legal framework, giving international investors and businesses confidence to invest, grow and prosper.

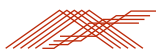
Recent studies conducted by global immigration experts deemed the Cyprus Citizenship by Investment program among the "best in the world".

The Cyprus Citizenship Scheme for investors is deemed to be among the best in world.

The key benefits of acquiring Cyprus Citizenship by Investment are:

- Citizens have the right to live and work within the EU. It is a full EU Passport
- The investor can get a passport of Cyprus for him/herself, a spouse and for all financially dependent children under the age of 28
- Protection by the diplomatic or consular authorities of any EU country
- Right to vote and stand for European Parliament elections
- Free movement of goods, services and capital





- Visa-free travel to over 157 countries including the EU and Canada
- Citizenship can be passed to future generations by descent
- No need to renounce previous nationality as dual citizenship is allowed
- No residence is required at any point in time
- Cypriot Citizenship by Investment can be obtained within 3-6 months
- The investor has a wide range of choice for investment.
- The investments can be made in a variety of sectors, they can be combined and there is a minimum duration of 3 years for holding the investment. After 3 years the investment can be realized.
- Cyprus is a common law jurisdiction
- No donation to the Cyprus Government

Legal basis

- Cyprus Citizenship by Investment is available to investors pursuant to the "Scheme for Naturalization of Investors in Cyprus by Exception" on the basis of Section 111A (2) of the Civil Registry Laws of 2002-2013, based on a Council of Ministers decision dated 19th March 2014.

Main conditions

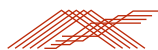
- Minimum duration of investment is 3 years
- Required amount of investment is €5,00m. The investment is reduced to €2,50m if the investor submits the application for citizenship within a group of investors.
- Mandatory investment in private owned property, the value of which must be at least €500.000 excluding vat.
- Clean police record from the country of origin and / or residence
- Confirmation that the applicant's name is not included in the list of persons whose property is ordered to be frozen within the boundaries of the European Union.

Key information

A non-Cypriot citizen, who meets one of the following economic criteria, either personally or through a company / companies in which he / she participates as a shareholder - proportionally based on the percentage of participation, or even as a high-ranking senior manager of a company / companies that meets one of economic criteria, may apply for the acquisition of the Cypriot citizenship through Naturalization by exception.

A high-ranking senior manager may apply, provided that he/she receives such a remuneration that generates for the Republic tax revenue of at least €100,000 for a three year period and provided that this tax has already been paid or prepaid.

The applicant should have concluded the necessary investments during the three years preceding the date of the application and must retain the said investments for a period of at least three years since the date of the Naturalization.



Criteria for granting the Cypriot citizenship by investment

The individual scheme with required investment amount of €5m

The applicant should meet one of the following criteria (or a combination):

i. Investment in government bonds

The applicant must have purchased state bonds of the Republic of Cyprus of at least €5,0 million. The applicant must buy the bonds from the primary market

ii. Investment in financial assets of Cypriot companies or Cypriot organizations

The applicant must have purchased financial assets of Cypriot companies or Cypriot organizations (bonds/ securities/ debentures registered and issued in the Republic of Cyprus) of at least €5,0 million.

It is noted that these financial assets can be purchased either at issuance, or subsequently by the market.

iii. Investment in real estate, land development and infrastructure projects

The applicant must have made an investment of at least € 5,0 million for the purchase or construction of buildings or for the construction of other land development projects (residential or commercial developments, developments in the tourism sector or other infrastructure projects).

iv. Purchase or creation or participation in Cypriot businesses or companies

The applicant must have made an investment of at least € 5,0 million in the purchase, creation or participation in businesses or companies, that are based and operating in the Republic. These businesses or companies should evidently have a tangible presence in Cyprus and employ at least five (5) Cypriot citizens.

It is noted that the mandatory conversion of deposits into shares is included in this criterion.

v. Deposits in Cypriot banks

The applicant must have personal fixed term deposits for three years in Cypriot banks or deposits of privately owned companies or trusts (in which he/she is the beneficiary owner) in the Republic of Cyprus of at least €5,0 million.

vi. Combination of the aforementioned criteria A.1 (Investment in government bonds), A.2 (Investment in financial assets of Cypriot companies or organizations), A.3 (Investment in real estate, land development and infrastructure projects), A.4 (Purchase or creation or participation in Cypriot businesses or companies) and A.5 (Deposits in Cypriot banks)

The applicant is required to have a combination of the above amounting to at least €5,0 million.

vii. Persons whose deposits with the Popular Bank Public Company Ltd have been impaired due to the measures implemented after the 15th March 2013

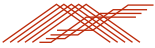
The applicant has incurred an impairment in deposits amounting to a total of at least €3,0 million.

In the case where the applicant has incurred an impairment in his/her deposits under €3,0 million he/ she may apply, having made an additional investment through the criteria A.1 (Investment in Government bonds), A.2 (Investment in financial assets of Cypriot companies or Cypriot organizations), A3 (Investment in real estate, land development or infrastructure projects), A.4 (Purchase or creation or participation in Cypriot businesses and companies) and A.5 (Deposits in Cypriot Banks) for the balance of the required amount of the aforementioned criteria.

The collective investment scheme with required investment amount of €2.5 m

Major Collective Investments

The Council of Ministers shall have the right on special occasions, to reduce the above criteria in any of the following categories to €2,5 million for investors, who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is at least €12,5 million.



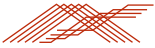
A.1 (Government Bonds),

A.2 (Financial assets of Cypriot companies or Cypriot organizations),

A.3 (Real estate, land development or infrastructure projects) and

A.4 (Purchase or creation or participation in Cypriot businesses and companies):

In addition, it is noted that the investment for the Criteria A1 until A4 may be realized through a different salesman/provider (physical or legal entity).



Permanent Residence programme

This is an alternative option to Citizenship by investment programme, with the investment amount being significantly lower than the Citizenship by investment scheme. The category F6(2) Immigration Permit, gives the Non-EU national to permanently reside in Cyprus. The family of the applicant can also obtain the permanent residence permit. The family includes spouse, children under 18 years old and financially dependent up to 25 years old. The parents of the investor and /or of his/her spouse can also obtain permanent residence as dependents.

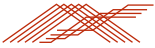
Financial criteria

The Permit is granted for an indefinite duration and the Applicants must have:

- Purchased in Cyprus one or two, new real estate properties with total purchase cost of at least €300,000 (excluding VAT). Properties can be 2 residences, or 1 residence & 1 office or 1 residence & 1 shop. At least €200,000 of the purchase cost must be settled
- A secure and steady annual income of Euro 30,000 transferred on a regular basis from abroad to a bank operating in Cyprus. The income should derive from sources other than employment in Cyprus. This amount is increased by Euro 5,000 for each dependent person
- Funds transferred from abroad and deposited in a Bank operating in Cyprus in a 3-year Fixed Deposit Account
- The applicant must have a secured international income to enable the family to live comfortably without working as employee in Cyprus and have good bank balance.

Other criteria

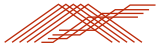
- The applicant must possess a valid passport.
- The applicant must be a businessman or a professional with a good reputation.
- No criminal record



- There will be a statement confirming that the applicant has no intention to work in Cyprus or be engaged in any form of active business in Cyprus
- The applicant is required to visit Cyprus once every two years

Applications are reviewed by the Civil Registry and Migration Department. Provided that all the conditions are met the Minister of Interior grants final approval. The processing time is 2 months.

The applicant can qualify for Cyprus Citizenship after 7 years of residency.



EU Directives in Cyprus

Cyprus is member of the EU since 2004, enjoying ever since full membership privileges including the benefits from the EU directives.

Parent - Subsidiary Directive

The EU Parent – Subsidiary directive aims to exempt distribution within the EU from Withholding tax where at least 10% of the capital of the paying company is owned by the parent company which is based in another member state and the holding period lasted for at least 2 years.

Cyprus adopted and fully implemented the Directive. According to the national provisions, an exemption on withholding tax on dividends is granted irrespective of the holding in the subsidiary shares. Cyprus has not applied the minimum 2 years of holding period.

As from 1 January 2016, dividends which are tax deductible for the paying company are not exempt from tax in the hands of the recipient. In this case the income will be taxable as normal business income under income tax and not as dividends under SDC. In addition no unilateral relief will apply in the event arrangements have been put into place for the main purpose of obtaining tax advantage. Arrangements will be considered genuine if there are valid commercial reasons that reflect the economic reality.

Interest and Royalties Directive

This directive has very many similarities to the Parent – Subsidiary directive, including the conditions under which it applies. No withholding tax applies to the payment of interest and royalties between “associated” companies in different member states where one has the requisite ownership of the other or both are commonly owned by a third EU Company. This test requires direct ownership of 25% of the capital for at least 2 years.

Cyprus has incorporated the Directive without imposing any minimum shareholding requirement and minimum holding period for the applicability of the Directive.

Mergers Directive

The mergers directive is applicable to mergers, divisions and partial divisions, exchange of shares and transfer of assets between member states.



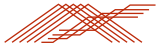


Under this directive

- gains not actually realized are effectively rolled over into the transferee company
- losses are carried over if the state in which the transferor company is located permits under its domestic law for the losses to be carried over
- potential gains to shareholders on transfers of initial shares held.

Cyprus has fully incorporated the Directive into its national law.

| Participation | | Period | Withholding rate |
|---------------------------------------|-----|---------|------------------|
| Parent Subsidiary Directive | | | |
| Dividends | 10% | 2 year | 0% |
| Interest and Royalty Directive | | | |
| Interest, Royalty | 25% | 2 years | 0% |



Cyprus entities

The laws and regulations for setting up and administering Cypriot entities are the same for foreign investors carrying on international business activities as they are for local entities. Entities may be registered in the following legal forms under Cypriot company law:

- limited liability company (private or public)
- partnership
- branch
- European company (SE)

Limited liability companies make up the vast majority of entities registered in Cyprus. Branches and partnerships constitute only a small percentage, mainly because their legal status and financial liabilities are ultimately the same as those of their beneficial owners.

Limited liability Company

The liability of a private company's members is limited either by shares or by guarantee. If a company is limited by shares, the liability of its members is limited to the nominal value of the shares fully paid up and the shareholders are not liable to contribute further. If a company is limited by guarantee, the liability of its members is limited to the amount to which they have agreed to subscribe in the case of liquidation. Companies limited by guarantee are usually non-profit making organisations.

The Companies Law of Cyprus provides for private and public companies. It is simple to register and is affected by filling with the Registrar of Companies the company's Memorandum and Articles of Association and other pertinent information.

A private limited company means a company which by its articles:

- restricts the right to transfer its shares and prohibits the issue of bearer shares
- prohibits any invitation to the public to subscribe for its shares or debentures
- limits the number of its members to a maximum of fifty





More stringent regulations from the Registrar of Companies and more requirements by law govern public companies. International business entities are as a rule registered as private companies because this legal form enjoys comparatively inexpensive formation procedures, consensus of a few shareholders, control over the membership and uncomplicated reporting requirements.

A Public company has the following characteristics:

- Minimum 7 shareholders
- At least 2 directors
- Before the issue of shares or debentures to the public, It must issue a prospectus or a statement in lieu of a prospectus
- May issue share warrants

Partnership

A partnership can be either general or limited and comprises two or more persons aiming to profit by carrying on a common business.

Each of the partners of a general partnership is liable severally and jointly with the remaining partners for all debts and obligations of the firm. Furthermore, after a partner's death, his estate is also liable for all debts and obligations and is subject to prior payment of his separate debts.

Limited partnerships comprise general and limited partners. The one or more general partners are liable for all debts and obligations of the firm and the one or more limited partners must, at the time of entering into such a partnership, contribute a stated amount to its capital or property valued. The limited partners are not liable for debts and obligations of the firm above the amount contributed.

A limited partner may neither take part in the management of the partnership nor have the power to contractually bind it. A company can become a partner with another company or with individuals, provided that it is authorised to do so by its articles.

Branch

A branch of a foreign company may be registered in Cyprus with the Registrar of Companies under the relevant section of the Companies Law. A branch does not constitute a legal entity different from that of its founding overseas company. There are two types of branches:

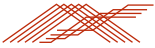
- local branch of a foreign company
- branch of a local company

Overseas companies may establish a branch in Cyprus by registering it with the Registrar within 30 days from their establishment. They must also file the company's memorandum of association, list of directors and details of the local representative.

European Company (SE)

The registration of a European Company is in line with EC Council Regulations 2157/2001. The main objective is to allow companies in different EU member states to merge or form a holding company or joint subsidiary while avoiding the legal and practical constraints arising from the existence of 27 or so different legal systems. The private companies limited by shares are by far the most common type of legal entity registered in Cyprus and used in international tax structures. They have Articles of Association (Charter) that specifically:

- restrict the number of members to less than 50
- restrict the right to transfer its shares
- prohibit any invitation to the public to subscribe to its shares or debentures
- prohibit the issue of bearer shares



The Cyprus Holding Company

Cyprus as an international financial centre is an ideal tax efficient gateway for investments in EU as well as non EU companies. It is widely used as an ultimate or intermediary holding company in a number of structures including the holding of operating, financing, real estate, as well as shipping companies.

The key features of the Cyprus Holding Companies

Foreign taxes can be reduced due to access to an extensive and favourable double tax treaty network and due to access to the EU Parent Subsidiary Directive

Foreign taxes on capital gains may be eliminated due to exclusive taxing rights of Cyprus.

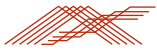
Non taxation of profits from the disposal of shares or other titles held by the Cyprus resident company

Dividends are not taxable and individuals who are not "domiciled" in Cyprus are exempted from the payment of the SCD on income from dividends, interest and rents even if they are considered as tax residents of Cyprus

Outgoing dividends are not subject to any withholding taxes

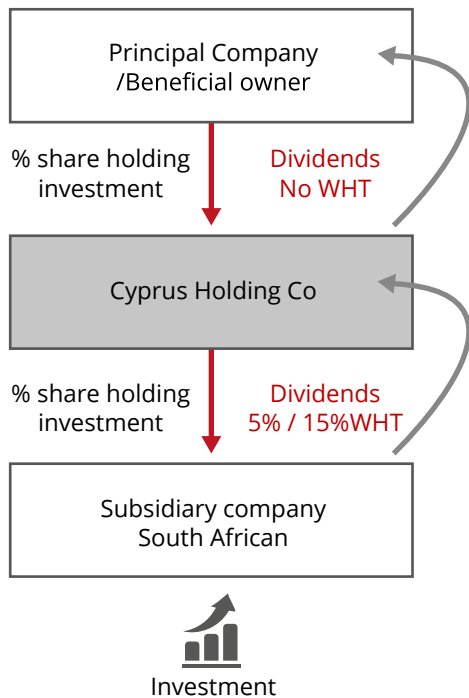
Cyprus law provides for no inheritance tax

No capital gains tax on the disposal of shares unless it relates to immovable property situated in Cyprus

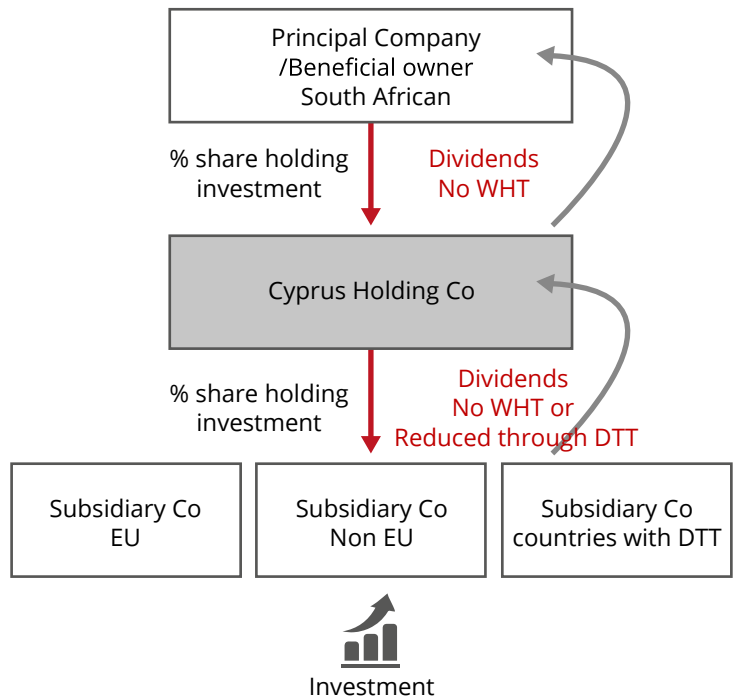


COMPANY STRUCTURES

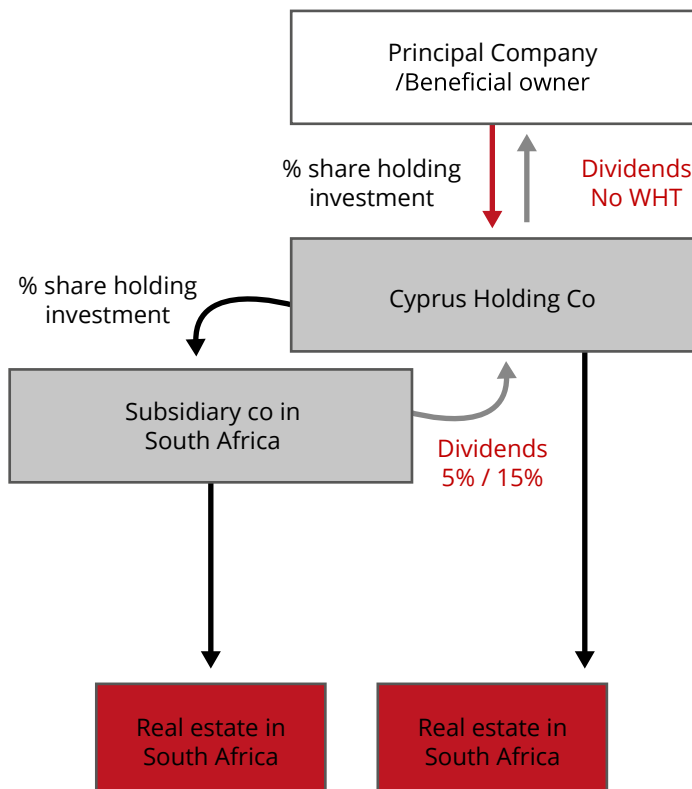
Investment to South Africa via Cyprus



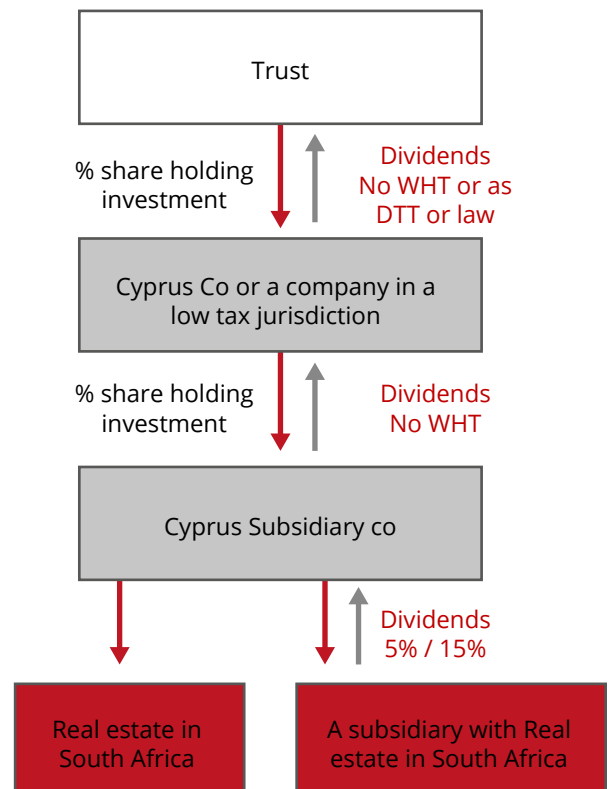
Investment to South Africa via Cyprus

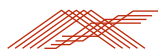


Real estate company structures Directly or indirectly



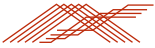
A trust





Key features beneficial to Cyprus Holding companies

| Key Criteria | Comment |
|--|--|
| Incoming dividends | Extensive double tax treaties, unilateral reliefs and EU Directives |
| Dividend income | Generally non taxable |
| Outgoing dividends | No withholding tax to non-residents |
| Capital Gains | Full tax exemption of gains |
| Reorganization and Group Relief | Group relief is allowed and losses set off against future profits |
| Controlled Foreign company | No CFC legislation |
| Thin Capitalization | No provisions for debt to equity ratio |
| Redomiciliation | Redomiciliation is permitted |
| Listing in international Stock Exchanges | Tax efficient and easy process |
| Interest income | Interest taxed only at 12,50 percent |
| Interest and Royalties Withholding | No withholding taxes, only for royalties (10%) for their use in Cyprus |
| VAT Registration | Holding activities are not obliged to register |
| Liquidation | Distribution of assets without any tax |
| Stamp Duty | Only for assets existing in Cyprus |



The Cyprus Group Financing Company

The use of Cyprus Entities for group finance is extremely attractive. Cyprus Finance Companies can fulfill intra-company and inter-company financial management functions, such as granting of loans for project financing or working capital requirements. Interest payments to the Cyprus Financing Company are tax deductible in the country of the borrower reducing the overall corporation tax liability. Choosing the right international jurisdiction for the use of double tax treaties can reduce or eliminate withholding taxes on interest payments.

An intermediary Cyprus Finance Company can be placed in between a parent company in a European, Non- EU or no tax jurisdiction and subsidiary companies operating in treaty countries. The Cyprus Company will borrow money from the parent company and lend the money to the subsidiary operating in treaty countries or other countries where withholding tax on interest is low or nil.

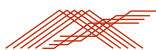
The operations of the Cyprus group financing company constitute a trade for Cyprus tax purposes and the determination of its taxable profits are established according to the relevant rules applicable to trading activities. The arm's length principle applies and the interest rate needs to be determined at market value as if the parties are unrelated.

The objectives of the Cyprus group financing company can be

- Centralization of the group treasury and funding operations
- Control of bank accounts
- Provision of intra group loans
- Accumulation of interest income and tax optimization of high tax country group operating companies
- Redistribution of funds within the group

Apart from the generic features of the tax system, the DTT Network and the adoption of EU Directives, other important features of the tax system beneficial to Cyprus (Group) Finance are the following:

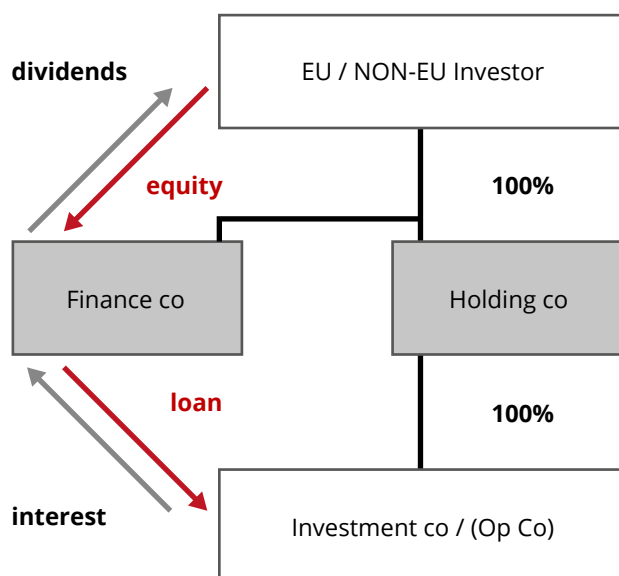
- Absence (under a Double Tax Treaty or the Interest and Royalty Directive) of interest withholding tax.



- Low overall tax burden.
- Possibility of deducting interest expenses from taxable income.
- Absence of thin capitalization rules or their inapplicability in the case of “back to back” financing.
- Absence of interest withholding tax in connection with interest paid on loan financing, irrespective of jurisdiction or the absence of a DTT (even for interest payments to offshore jurisdictions).
- Reasonable level of “margin” required by tax authorities.
- Low expense level for professional / financial fees.

Some other non-tax considerations may include among others the legal, political and economic infrastructure, the banking system, human resource, telecommunications, location, costs and quality of life.

Financing company structure



Back to back loans

Back to back loans between related companies is a scheme that allows funding between related parties that take place through Cyprus with the ability to keep as taxable profits in Cyprus only the difference between the borrowing rate and the lending rate.

Arm's length principle

The provision of loans by Cyprus companies is governed by Article 33 of the Income Tax Law, which provides that all transactions undertaken by Cyprus companies, including financing and loan arrangements, must always be at arm's length terms. This means that the interest rate to be imposed on a loan granted by a Cyprus company will depend on the prevailing market conditions at the time the loan is provided.

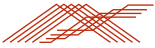
Pre-transaction rulings and the tax treatment of back to back loans between related companies

In response to expected changes in the European Union (EU) relating to the automatic exchange of cross-border rulings and acknowledging the importance of tax rulings in creating a stable and trustworthy tax framework, the Cypriot Tax Authorities (the CTA) recently issued Circular 2015/13 (the Circular) aiming to establish efficient and effective procedures for the issuance of advance tax rulings. The Circular sets forth new requirements for the submission of tax ruling requests and establishes certain parameters on their validity.

The issuance by CTA tax rulings regarding the profit margins, as represented below, which would be acceptable to the Cyprus ITO, can remove taxation uncertainties significantly.

Minimum profit margins (conditions apply) as from tax year 2008 onwards:

| Level of loan | Profit Margin |
|---------------|---------------|
| € | % |
| < 50m | 0,35 |
| 50-200m | 0,25 |
| >200m | 0,125 |



Substance requirements

Key considerations for setting up a Cyprus company

The decision to set up and use a Cyprus company must be driven by valid business reasons. The purpose of the company should be to carry out bona fide, genuine business activities and tax strategies should be aligned based on the business management and operation model.

To qualify as a Cyprus Tax Resident, the management and the control of a company must be exercised from Cyprus. This means that the company should have a registered address in Cyprus, the majority of its directors must be Cyprus tax residents and most of their meetings should take place in Cyprus.

Tax authorities in other jurisdictions will be difficult to deny treaty benefits to Cyprus Tax Residents if they show sufficient substance and business rationale of their operations.

It is therefore important to pay special attention when designing and implementing an international tax structure in order to minimize the risk of a successful challenge over tax residency.

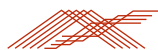
The following issues need to be considered:

Management and Control VS Effective Management and Control

The place of effective management and control is where key management and commercial decisions are made. If the board in Cyprus merely gives formal approval to decisions that have already been made elsewhere, then it can be argued that the company is not a Cyprus Tax Resident or that it has a permanent establishment abroad. It is, therefore, important that the board consists of qualified individuals that have all relevant information before them in order to make informed decisions regarding key issues.

Office Requirements

It is strongly recommended that an actual office is maintained in Cyprus where the management and control, and preferably also the day-to-day administration, of the company are exercised. Furthermore, the office should have a telephone and a fax line.



Staff Requirements

In order to enhance their substance, companies should employ an adequate number of qualified staff to run their business from Cyprus. This, however, depends on the type of business performed by each individual company.

Record Keeping Requirements

Hard copies of all relevant documents, such as corporate documents, agreements, invoices and so on, should be kept in the Cyprus based office of the company.

Accounting Records

The accounting records of the company should be prepared and kept in Cyprus.

Bank Accounts

The bank accounts of the company, regardless of whether they are based in or outside Cyprus, should be operated from Cyprus as it can be argued that the effective management and control of the company is where its funds are managed from.

Web Presence

The company should have an e-mail address and a website.

Potential developments which affect structuring

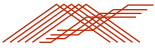
CFC Rules

Beneficial ownership provisions and tax residency issues

BEPS on allocation of Profits

International measures against abusive tax planning

OECD Global Forum on Exchange of Information



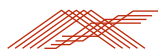
Cyprus Tax Treaties

The purpose of the double tax treaties is the protection of income derived in one country and remitted to another, from being subject to taxation in both jurisdictions. Treaties usually provide for a tax credit to the recipient of the income for the amount of tax that has already been paid in the country where the income has originated.

In accordance with the Cyprus Income Tax Laws, a company should be tax resident in Cyprus to enjoy the Cyprus Tax Benefits and to qualify for the Double Tax Treaty treatment.

A company is considered as Cyprus Tax resident if the effective management and control is exercised in Cyprus. The following factors should be considered:

- The majority of the members of Board of Directors are tax resident in Cyprus and exercise their office from Cyprus
- The Board Meetings take place in Cyprus and the major (and preferably day to day) decisions are properly taken during these meetings. During the meetings written resolutions, agreements, contracts and other documents which relates to the management and administration of the company are signed.
- Actual administration office where actual management and control of the company will be exercised.
- Hard copies of commercial documentation are stored in the office facilities of the company
- Accounting records are prepared and kept in Cyprus
- The annual audited financial statements are approved during these meetings
- The Board of Directors control the bank accounts even if they are established outside Cyprus
- The place where the seal of the company is authorized to be used



WHT on other types of income

Cyprus levies a 10% WHT on technical services performed by non-residents in Cyprus. However, no such WHT is levied if such services are performed via a permanent establishment in Cyprus of the non-resident or if performed between 'associated' companies as these are defined by the EU Interest and Royalty Directive as enacted in the Cyprus tax legislation.

Cyprus also levies a 10% WHT on the gross income/receipts derived by a non-resident individual from the exercise in Cyprus of any profession or vocation and the remuneration of non-resident public entertainers (such as theatrical, musical including football clubs, other athletic missions etc).

Further, a 5% WHT is levied on gross income derived from within Cyprus by non-residents with no local permanent establishment for providing ancillary services related to exploration and exploitation activities.

The rate of 5% WHT applies in respect of the showing of cinematograph films in Cyprus.

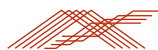
Payments from Cyprus

Dividends, interest and royalties are not subject to any withholding tax when paid by a Cyprus company.

Cyprus has concluded double tax treaties with the following countries:



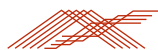
| Received in Cyprus* | | | |
|---|---|--|--|
| Country | Dividends (%) | Interest (%) | Royalties (%) |
| Armenia | 0/5 if a dividend is paid by a company in which the beneficial owner has invested less than €150.000 | 5 | 5 |
| Austria | 10 | 0 | 0 |
| Bahrain | Take place in 2017 | Take place in 2017 | Take place in 2017 |
| Belarus | (5 if amount invested > 200.000 EURO irrespective of % of votes / 10 if at least 25% of share cap. / otherwise 15) | 5 | 5 |
| Belgium | 10 (15 if <25% of votes) | 10 / 0 if paid to public body | 0 |
| Bosnia*1 | 10 | 10 | 10 |
| Bulgaria | 5 / 10 if received by a company owning < 25% of share cap. | 7 / 0 if paid to or guaranteed by a public body | 10 / does not apply if > 25% of cap. of Cypriot resident owned directly or indirectly by Bulgarian resident paying the royalties and the Cyprus company is subject to a preferential tax rate |
| Canada | 15 | 15 / 0 if paid to the Government or for export guarantee | 10 / 0 on literary, dramatic musical or artistic work with the exception of films used for television programs |
| China | 10 | 10 | 10 |
| CIS (Armenia, Kyrgyzstan, Moldova, Tajikistan, Uzbekistan, and Ukraine consider themselves bound by the treaty signed with the former USSR. The rates shown are those of the treaty Cyprus / USSR) | 0 | 0 | 0 |
| Czech Republic | 0/5 if received by a company holding directly at least 10% of the share capital of the paying company for an uninterrupted period of no less than one year then, nil is applied. | 0 | 0/ 10 for patent, trademark, design or model, plan, secret formula or process, computer software or industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience. |
| Denmark | 0 if paid to the government/ Central Bank/ Public Authority of the other state / 15 if received by a company controlling <10% of the share capital of the paying company or the duration of any holding is < one uninterrupted year or if received by an individual | 0 | 0 |



| | | | |
|-------------------------------|--|--|--|
| Egypt | 15 | 15 | 10 |
| Estonia | 0 | 0 | 0 |
| Finland | 5/15 if received by a company controlling less than 10% of votes in the paying company and if received by an individual | 0 | 0 |
| France | 10/15 if < 10% of votes | 10 / 0 if paid to a government, bank, or financial institution | 0/5 on films including films used for television programs |
| Georgia | 0 | 0 | 0 |
| Germany | 5 /15 if < 10% of votes and in all cases if received by an individual | 0 | 0 |
| Greece | 25 | 10 | 0 / 5 on cinematographic firm royalties (other than films shown on television) |
| Guernsey | 0 | 0 | 0 |
| Hungary | 5/15 if <25% of votes and in all cases if received by an individual | 10 / 0 if paid to the government/ Central bank/ Public Authority of the other state | 0 |
| Iceland*² | 10/ 5 if received by company holding directly at least 10% of votes of the company paying the dividend. | 0 | 5 |
| India | 10/15 if <10% of votes | 10/ 0 if paid to public body or financial institution | 15 / 10 on payment of technical fees, management fees and consultancy fees |
| Iran | 5% withholding tax on the dividends, if the beneficial owner is a company holding at least 25% of the capital of the company paying the dividends / 10% withholding tax in all other cases | 5 | 6 |
| Ireland | 0 | 0 | 0 / 5 on cinematographic firm royalties (other than films shown on television) |
| Italy | 15 | 10 | 0 |
| Jersey | 0 | 0 | 0 |
| Kuwait | 0 | 0 | 5 |
| Latvia | 0/ if this is not applicable, and the recipient company is not the beneficial owner the dividend will be 10 | 0/ if this is not applicable, and the recipient company is not the beneficial owner the interest will be 10% | 0/ if this is not applicable, and the recipient company is not the beneficial owner, the royalties will be 5%. |
| Lebanon | 5 | 5 | 0 |
| Lithuania*³ | 0/ 5 if received by a company holding <10% of votes paying the dividend and in all cases if received by an individual | 0 | 5 |



| | | | |
|---------------------|--|--|--|
| Malta | 0 The treaty provides that the tax on gross dividends shall not exceed that chargeable on the profits out of which the dividend is paid | 10 | 10 |
| Mauritius | 0 | 0 | 0 |
| Moldova | 10/ 5 if received by a company holding less than 10% of votes and in all cases if received by an individual | 5 | 5 |
| Montenegro | 10 | 10 | 10 |
| Norway*4 | 15 / 0 if the beneficial owner is a company holding directly at least 10% of the capital of the company paying the dividends or if the beneficial owner of the shares is the Government of Cyprus or Norway. | 0 | 0 |
| Poland | 5/0 if recipient company holds directly 10% of the share capital of the paying company for an uninterrupted period of at least 2 years. | 5/0 if paid to the government/ Central bank/ Public Authority of the other state | 5 |
| Portugal | 10 | 10 | 10 |
| Qatar | 0 | 0 | 5 |
| Romania | 10 | 10/ 0 if paid to public body or financial institution | 5 / 0 on literary, artistic or scientific work including films |
| Russia | 5 / 10 if received by a company which has invested < \$100.000 | 0 | 0 |
| San Marino | 0 | 0 | 0 |
| Seychelles | 0 | 0 | 5 |
| Singapore | 0 | 10 / 7 if paid to a Bank or similar financial institution / 0 if to the Government | 10 |
| Slovakia | 10 | 10/ 0 if paid to public body or financial institution | 5 / 0 on literary, artistic or scientific work including films |
| Slovenia | 5 | 5 | 5 |
| South Africa | 10/ A protocol to the treaty entered into force on 18 September 2015 but may apply retrospectively. 5% if the beneficial owner is a company which holds at least 10% of the capital of the company paying the dividend | 0 | 0 |



| | | | |
|---|--|---|--|
| Spain | 0/5 if received by a company holding < 10% of Votes of the paying company and in all cases if received by an individual or a company not limited at least partly by shares | 0 | 0 |
| Sweden | 5/15 if <25% of votes | 10/ 0 if paid to public body or financial institution | 0 |
| Switzerland | 15/ 0 if the beneficial owner is a company holding directly at least 10 per cent of the capital of the company is paying the dividends during an uninterrupted period of at least one year (the holding period condition may be satisfied post the date of the dividend payment) and 0 if the beneficial owner is a pension fund or other similar institution or relates to the Government of Cyprus or Switzerland. | 0 | 0 |
| Syria | 0/15 if <25% of votes | 10/ 0 if paid to public body or financial institution | 15 / 10 on literary, dramatic, musical, artistic work, films and TV |
| Thailand | 10 | 15 / 10 on interest received from financial institutions, on interest paid in connection with industrial, commercial, scientific equipment or the sale or merchandise between two companies | 5 / 10 on right to use industrial, commercial or scientific experience / 15 on patents, trademarks, designs, models, plans, secret formulas or processes |
| Ukraine | 5/15 if a dividend is paid by a company in which the beneficial owner holds <20% of votes and the beneficial owner has invested < €100.000 | 2 | 10 / 5% will be levied on payment of royalties in respect of any copyright of scientific work, any patent, trade mark, secret formula, process or information concerning industrial, commercial or scientific experience |
| United Arab Emirates | 0 | 0 | 0 |
| United Kingdom | 15% on individual shareholders regardless of their percentage of shareholding and on Companies controlling less than 10% of the voting shares /0 if <10% of votes | 10 | 0/5 on films including films used for television programs |
| United States of America | 15 / 5 if more than 10% of votes | 10 / 0 if paid to the Government or a bank or a fin. Inst. Or in respect to debt obligations arising in connection with sale of property or the provision of services | 0 |
| Yugoslavia (Serbia -Montenegro and Slovenia) | 10 | 10 | 10 |



*¹ Serbia, Montenegro and Bosnia apply the Yugoslavia/Cyprus treaty.

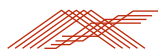
*² The treaty with Iceland is effective from 1 Jan 2015. This is the first double tax treaty between the two countries.

*³ The treaty with Lithuania is effective from 1 January 2015. This is the first double tax treaty between the two countries.

*⁴ The treaty with Norway is effective from 1 Jan 2015. This replaces the previous treaty effective between the two countries.

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