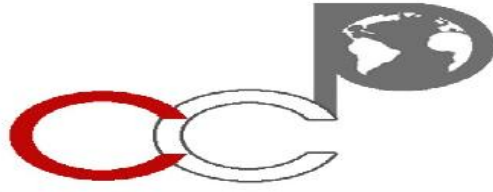




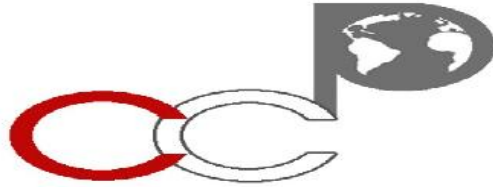
CYPRUS TAX FACTS - SUMMARY

2014



Cyprus Tax Facts- Summary

Cyprus Resident Company	The management and control of the company must be exercised in Cyprus.
Management and Control	No formal definition of what is management and control. In practice it may be taken to mean that management and control is : <ul style="list-style-type: none"> • where the majority of the directors reside; • where the Board meetings of the company are held; and • where the general policy of the company is formulated. Co-existence of all three criteria is essential.
Corporation tax rate	12.5% on trading profits.
Allowable tax deductions	Any expenditure incurred wholly and exclusively in the generation of taxable income.
Permanent Establishment (“PE”)	Profit of a PE of a Cyprus company is wholly exempt from tax in Cyprus provided: <ul style="list-style-type: none"> • Less than 50% of the PE’s income is the result of investment activities; or • The foreign tax burden is not significantly lower than the tax burden in Cyprus (5% and less is considered as significantly lower).
Disposal of securities	Profits are not taxable unless immovable property situated in Cyprus is involved.
Interest income	Interest income not generated from the ordinary activities or from activities closely connected with the ordinary activities of the company is exempt from Corporation tax but is subject to 30% Special Defence Contribution.
Losses	Carried forward against the first available future profits -5 year limit.
Group relief	Available subject to conditions. Generally, two companies are considered to be members of the same tax group for group relief purposes if one is a 75% subsidiary of the other or both are 75% subsidiaries of a another company. A company is considered to be 75% controlled by another, if at least 75% of the subsidiary’s voting shares, distributable profits and assets in the case of winding up are held directly or indirectly by the holding company. A company acquired any time during a tax year is considered as part of the group from the beginning of the year for group relief purposes, therefore allowing group relief to be claimed from the year of acquisition.



Dividend Income	Wholly exempt from tax in Cyprus provided: <ul style="list-style-type: none"> • Less than 50% of the paying company's income is the result of investment activities; or • The foreign tax burden is not significantly lower than the tax burden in Cyprus (5% and less is considered as significantly lower).
Withholding Taxes	Payment of dividends and interest made by a Cyprus company to its non – resident shareholders are free from any withholding taxes.
Controlled Foreign Company (“CFC”) rules	No CFC rules.
Thin capitalisation rules	No Thin capitalisation rules exist in Cyprus.
Reorganisations	The Income tax law adopts the relevant EU Directive whereby reorganisations, mergers and acquisitions can be effected without any tax implications.



Our Firm

CCP Professional Services is a dynamic, fast growing firm of chartered accountants dedicated to providing a wide range of services, such as auditing, accounting, international tax planning, tax and VAT compliance and financial advisory.

Our team of UK and EU-qualified accountants, auditors and tax consultants provides efficient and high quality services and is capable of meeting the current demanding challenges of the local and international business environment.

If you would like to receive further information or to contact us on any relevant matter, please do not hesitate to get in touch with us.

Contact Us

CCP Professional Services

33 Climentos Street, Office 302

Nicosia, 1061, Cyprus

Tel: + 357 22 250865 – Fax: + 357 22 256573

E-mail: info@ccp.com.cy – Web site: www.ccp.com.cy