

## CYPRUS COMPANY FORMATION

Cyprus has always been an excellent location for holding companies for many reasons including tax advantages, excellent communications and world – class professional and banking services.

1. **DO** you want to buy as many properties as you want and avoid paying 20% Capital Gains Tax?  
If the answer is **YES** then you need to know that by forming a company to buy property and incorporating it as Development Company in Cyprus to avoid paying 20% Capital Gains Tax. Through a Development company you can buy as many properties as you WISH for any purpose. When you decide to sell those properties, you will not pay 20% Capital Gains Tax on the profit but only 10% corporation tax on the gain.
2. Are you a **NON CYPRUS RESIDENT**? If yes then when a company distributes Dividends to the shareholders who are not Cyprus residents, there is NO defence tax payable, which represents a saving of {X} %
3. Do you want to ensure that owning a property in the name of a company can **SAVE** on transfer fees? A company can transfer its shares to a new owner instead of transferring the property owned by the company. Therefore, transfer fees are paid on the initial purchase only. This is a big saving and an excellent selling point bearing in mind that transfer fees are calculated as follows:
4. **DO** you want to learn how a company can be registered in Cyprus? If so then read on.

## COMPANIES IN CYPRUS- FORMALITIES

### Company Name

The name of a company must be approved by the Registrar of Companies before the whole registration procedure commences. Names of Companies similar to existing company names are not approved.

Our Law Firm maintains a list of names already approved by the Registrar of Companies. The registration of the company may therefore commence immediately if one of those names is chosen. The list of already approved names is available on request.

### **Main Objects/Purpose of the Company**

The main objects/purpose of the company must be stated in the first paragraphs of the proposed company's Memorandum and Articles of Association.

We also require a detailed description of the intended objects of the company to be registered.

### **Bank Reference**

A bank reference is required by our Law Firm for the person/s who is/are to be the beneficial shareholder(s) in the company.

A sample of the Bank reference is available upon request.

Bank references obtained from the banks based in Cyprus for non Cyprus residents are not acceptable. Bank references should ideally originate from the country in which the beneficial shareholder resides or carries out his business.

Our Law Firm also requires a copy of the passport(s) of the beneficial shareholder(s) and proof of their address. In the event that the beneficial owner is a corporate body our Law Firm requires a certificate of its incorporation and a bank reference

### **Shareholders**

The minimum number of registered shareholders is one. The minimum beneficial shareholders are also one. Shareholders can either be individuals or legal corporate entities. Trusts may also be shareholders of a Cyprus company.

Shares maybe held by trustee companies for the benefit of beneficial shareholders to preserve their anonymity. Trust Deeds are signed by the trustee in order to completely safeguard the interests of the beneficial shareholders.

Our Law Firm can provide trustee entities for this purpose.

The identity of the beneficial shareholder is kept absolutely confidential if a nominee trustee is used.



### **Directors**

At least one director is necessary. The directors may be local Cypriot individuals or foreigners. It is generally advisable to appoint local directors if one wishes to have effective management and control in Cyprus rendering the company resident in Cyprus for tax purposes. A corporate entity may act as a director.

Nominee directors may be provided by our Law Firm.

The name, address, nationality, passport number and occupation of each director is required.

### **Secretary**

An individual or a secretarial company must be appointed. Our Law Firm is willing to be appointed to act as secretary.

### **Registered Office**

The registered office of the company must be in Cyprus. The registered office address is the official address of the company where the statutory books, registers, and the seal of the company should be kept. Summons and writs are also served at the registered office address.

Our Law Firm can be used as the registered office of client companies.

### **Confidentiality**

With the use of Trustee shareholders together with the appointment of a nominee director one can ensure complete confidentiality and anonymity of the beneficial shareholders.

### **Timing**

The time needed to register a company in Cyprus is a minimum of thirty days. However, an accelerated service is available at the Registrar of Companies office whereby a company may be registered very quickly, provided of course the name of the proposed company has already been approved