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McMillanWoods

Professionalism at the forefront

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1. Company Profile

McMillan Woods Cyprus Ltd is a member firm of McMillan Woods Global, a global network of independent local and regional firms of recognized qualified accountants and professional advisors. McMillan Woods Cyprus has over 27 years of professional experience and was created to provide a creative and reliable solution that gives our clients a competitive edge in their business.

Services rendered include but are not limited to technical assistance in traditional accounting, audit assurance, tax consulting, company formation, management services, and bank account opening, overall providing a «one-stop shop» for our clients.

McMillan Woods Cyprus is a public practice firm of Chartered Certified Accountants and is a member of the Institute of Certified Public Accountants Cyprus (ICPAC) and a member of the Association of Chartered Certified Accountants (ACCA) in the UK.



Our staff includes qualified accountants and trainees of the Association of Chartered Certified Accountants (ACCA) with many years of experience in auditing, accounting, taxation, business and finance.

McMillan Woods Global network enables us to meet the technical requirements of our client's database that are seeking incorporation and administration of local and overseas companies, fiduciary and banking services.

Our company ensures top quality services with a quick response to its client's requirements in order to build strong and long-lasting professional relationships.

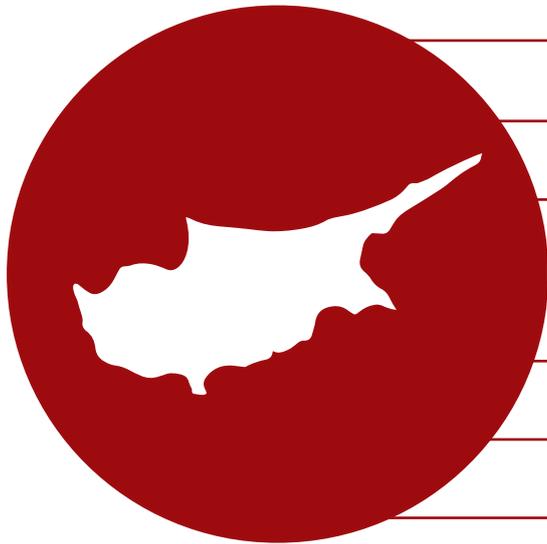
2. Our Services

- Audit & Assurance
- Accounting
- Tax structuring
- Payroll services
- VAT related services
- Business Management and Consultancy
- Internal Audit
- Company Formation and Fiduciary services
- International Business services
- Investment Funds
- Permanent Resident Permits

3. Why Choose Us

- Established in 1992 – Assisting businesses for over 27 years
- We offer a very comprehensive range of services tailored for Small – Medium Business and High Net Worth Individuals
- History of solid relationships with our clients. We will always put your needs ahead of the transaction and act in your best interest
- Give you full access to our team of accountants
- Easy access to partner-level advice
- A small team of professionals including directors working on your files
- Experienced and Professional Administration team assisting clients with all requests and enquiries
- Flexible meeting options including in office, at clients premises, or via Skype for those not located in Cyprus
- After hours appointments can also be arranged
- Variety of bundled service packages tailored to suit each client's needs including flexible billing options starting with standard hourly rate to fixed fee agreements which can be paid monthly
- Keep you informed on regulatory changes and legislative developments that impact your business
- Punctual completion and delivery of work

4. Why Choose Cyprus



- **Robust Legal & Regulatory Framework**
- **EU and Euro zone Member**
- **Geostrategic Location**
- **Attractive Tax Regime**
- **Highly Skilled Workforce & Human Talent**
- **Advanced Infrastructure**
- **High Quality of Life**

5. Cyprus Tax Incentives

The main advantages are:

- Corporation tax on net profits is only 12,5%.
- Dividend income is tax exempt.
- Profits realised on disposal of securities/shares in subsidiaries, bonds, derivatives, stocks etc., are not subject to taxation in Cyprus. This applies to all gains including capital gains and gains from trading in securities.
- A notional interest deduction (NID) is allowed on paid, newly introduced capital.
- European Union (EU) jurisdiction.

- Cyprus has a wide network of double tax treaties providing zero or low withholding tax rates on interest, dividends and royalties.
- There is no withholding tax on dividend, interest and royalties paid to non-resident individuals, and corporations. Interest paid to non-resident group companies is tax deductible (except for minimal GeSY contributions), since 1 March 2019, dividends income is subject to GeSY contributions (at the rate of 1.7% from 1 March 2019 until the 29 February 2020, then increased to 2.65% from March 1, 2020), restricted to a maximum of EUR180,000 income annually.
- Intellectual Property (IP) including copyrights, patented inventions and trademarks has an exemption of 80% of the overall profit derived from the qualifying intangible asset; the following rule applies for intellectual property assets developed after 30 June 2016.
- There are no general transfer pricing rules but transactions between related parties should be at “arm’s length”. Losses are offset against other sources of income, are carried forward for five years and can be set off against profits of another company of the same Group (Group of Cyprus tax-resident companies).
- Capital gains are not taxable in Cyprus except for the 20 % tax on gains on immovable property that is located in Cyprus.



6. Company Registration In Cyprus

Cyprus is a long established reputable International Financial Center, having one of the lowest tax rates (12,5%) in the EU, tax costs play a significant role in investment decisions. Investors aim in maximising after-tax return on investment. Therefore investment structures which have the least tax leakage are preferred by investors and are recommended by the advisors.

As such, a Cyprus company can be utilised in structures exploiting local tax legislation and collect income which is taxed at lower rates. Withholding tax is eliminated or reduced under double tax treaties or under EU directives. The income can then be repatriated in any form the investor wishes without withholding tax.

A Cyprus company is suitable both for EU inbound and out-bound investments. There are no investment activities which are inappropriate for the Cyprus tax environment. However, there are investment activities which are indeed ideally suited to the Cyprus tax environment such as:

- Holding Company
- Trading Company
- Securities Trading Company
- Foreign Permanent Establishment
- Finance Company
- Employment Company
- Royalty Company
- Real Estate Company

Our firm is capable of dealing with all the day-to-day activities of any company.

7. Cyprus (EU) Permanent resident permits for third country investors

Permanent residency status in Cyprus can be obtained through the Permanent Residence Program. Arguably the best fast track program in Europe that permits foreigners to acquire an Immigration Permit through property investment.

Cyprus is an attractive place in which to reside, has a warm and stable climate, and is in a convenient geographical position in the Eastern Mediterranean.

Requirements

- 1.** The main requirement is the purchase of new immovable property of a total market value of at least EUR 300,000 plus VAT. The contract of sale must have been submitted to the Cyprus Department of Land and Surveys. The property can also be bought by a company provided that the company is registered in the name of the applicant or the applicant and their spouse. They must also be sole shareholders.
- 2.** The applicant must submit a confirmation letter from a Cyprus bank that they have deposited a minimum capital of EUR 30,000 from abroad into an account that will be locked for three years. After the expiration of this period, the money will be released without restrictions.
- 3.** The applicant must provide supporting evidence of a secured annual income of at least EUR 30,000 deriving from abroad. This income must increase by EUR 5,000 for the spouse and every additional child and EUR 8,000 for each dependent parent. The income may include, for example, salaries from employment, rents, pensions, and dividends from shares.

Benefits Of The Cyprus Permanent Residence Program:

- For the entire family: parents – children – grandparents
Cyprus Permanent Residence Permit covers the whole family including dependants and parents of the applicant and his/her spouse.
- Fast track: the application procedure is highly efficient, within two months.
- Property investment: only 300,000 EUROS Guaranteed fast track straightforward procedure. The property must be bought from a licensed development company (first sale property).
- Favourable tax system benefits: can be eligible to apply for becoming Cyprus Tax resident with the advantage of being exempt for worldwide dividend and passive interest income and from the profit of the sale of securities.
- Valid for life: no need for future reconsideration The Permanent Residence Permit is valid for Life. You need to visit Cyprus once every two years at least for one day.
- European passport: you become eligible for citizenship a Cyprus Permanent Resident has the right (under certain conditions) to apply for a Cypriot passport following their physical presence on the Island.
- Visa requirements: no visa needed to enter Cyprus the Cyprus Permanent Residency holder and his family are free to enter Cyprus without the Cyprus Permanent Residency holder and his family are free to enter Cyprus without the need of obtaining a visa.

8. Double Tax Treaties

The list of countries with which Cyprus maintains DTTs currently stands at over 60 which is a significant number for such a small island as Cyprus.

The following countries are among those which have double-tax treaties with Cyprus, although not all are in effect at the time of writing:

Armenia, Austria, Bahrain, Barbados, Belarus, Belgium, Bulgaria, Canada, China (PRC), Czech Republic, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, Guernsey, Hungary, Iceland, India, Iran, Ireland, Italy, Jersey, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Luxembourg, Malta, Mauritius, Moldova, Montenegro, Norway, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Syria, Tajikistan, Thailand, Ukraine, UAE, UK, USA, Uzbekistan.



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