

Re-Domiciliation of Foreign Companies into Cyprus

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The Companies Law, Cap 113 as amended (the “Law”), enables an overseas company incorporated or registered under the laws of an approved country or jurisdiction to become registered as a company continuing in the Republic of Cyprus.

Preliminary Checks

In order to initiate the transfer of the registered office of an overseas company to the Republic of Cyprus, certain preliminary matters must be considered:

1. Ensure that the laws of the country of incorporation of the overseas company allow the company to re-domicile and exist as a company in Cyprus (local legal counsel advice must be sought).
2. The documents of incorporation of the overseas company (articles or memorandum of association or statutes) contain a provision (“continuation” provision) that allowsthecompany to continue under the legal regime of another jurisdiction. If not, the statutes of the company must be amended to include this provision.
3. Whether the overseas company is carrying out a licensed activity; it will need to satisfy local licensing criteria for the relevant activity.
4. The Law does not recognize bearer shares; therefore, if the authorized share capital of the overseas company consists of bearer shares, these must be converted into registered shares.
5. If the existing name of the overseas company has the words “Limited” at the end, then it may be possible to continue to exist under the same name in Cyprus. In this case an application must be submitted in advance to the Cyprus Registrar of Companies to confirm that the name may be used and is approved. The approval would be valid for 6 months of issue. If not, then another name, approved by the Cyprus Registrar of Companies, under which the company may continue to exist once re-domiciled to Cyprus must be chosen and approved in advance.

Application for Registration

The application filed by an overseas company to the Cyprus Registrar of Companies for its registration as a company continuing in Cyprus must be accompanied by the documents required by Law which must be legalised by apostille and translated by official translation into the Greek language.

The Registrar of Companies who after being satisfied that these documents comply with the provisions of the Law, shall issue a temporary certificate of continuation. From this moment; the company is considered a body corporate incorporated in Cyprus and is provisionally registered.

Following the issue of the temporary certificate of continuation, the competent authority of the country of its incorporation shall have 6 months to submit proof to the Cyprus Registrar of Companies proof that the company has ceased being a company registered in the country where it was initially incorporated. The Cyprus Registrar of Companies will subsequently issue a permanent certificate of continuation.

Why Cyprus

Following the issue of the permanent certificate of continuation, the company will be taxed as any other company established under the laws of Cyprus and as such any taxable profit generated will be subject to a 12.5% corporate tax.

At the same time, the company will enjoy the following tax benefits:

1. Wide network of treaties for the avoidance of double taxation;
2. Dividend income is exempt from Income Tax*;
3. Profit from the disposal of securities is exempt;
4. 80% of income from royalties is exempt from Income Tax*;
5. Profits from permanent establishments outside Cyprus are exempt from Income Tax;
6. Taxable losses are carried forward up to 5 years*;
7. Group relief for utilisation of tax losses*;
8. Dividends paid to foreign resident shareholders are free from withholding taxes or any other taxes;
9. Interest paid to a non-resident company is exempt from withholding taxes.

* Subject to certain provisions



* This publication has been prepared as a general guide and for information purposes only. It does not purport to be comprehensive or to render professional advice. Before making any decision or taking any action that may affect you and/or your business, bespoke advice should be obtained.

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