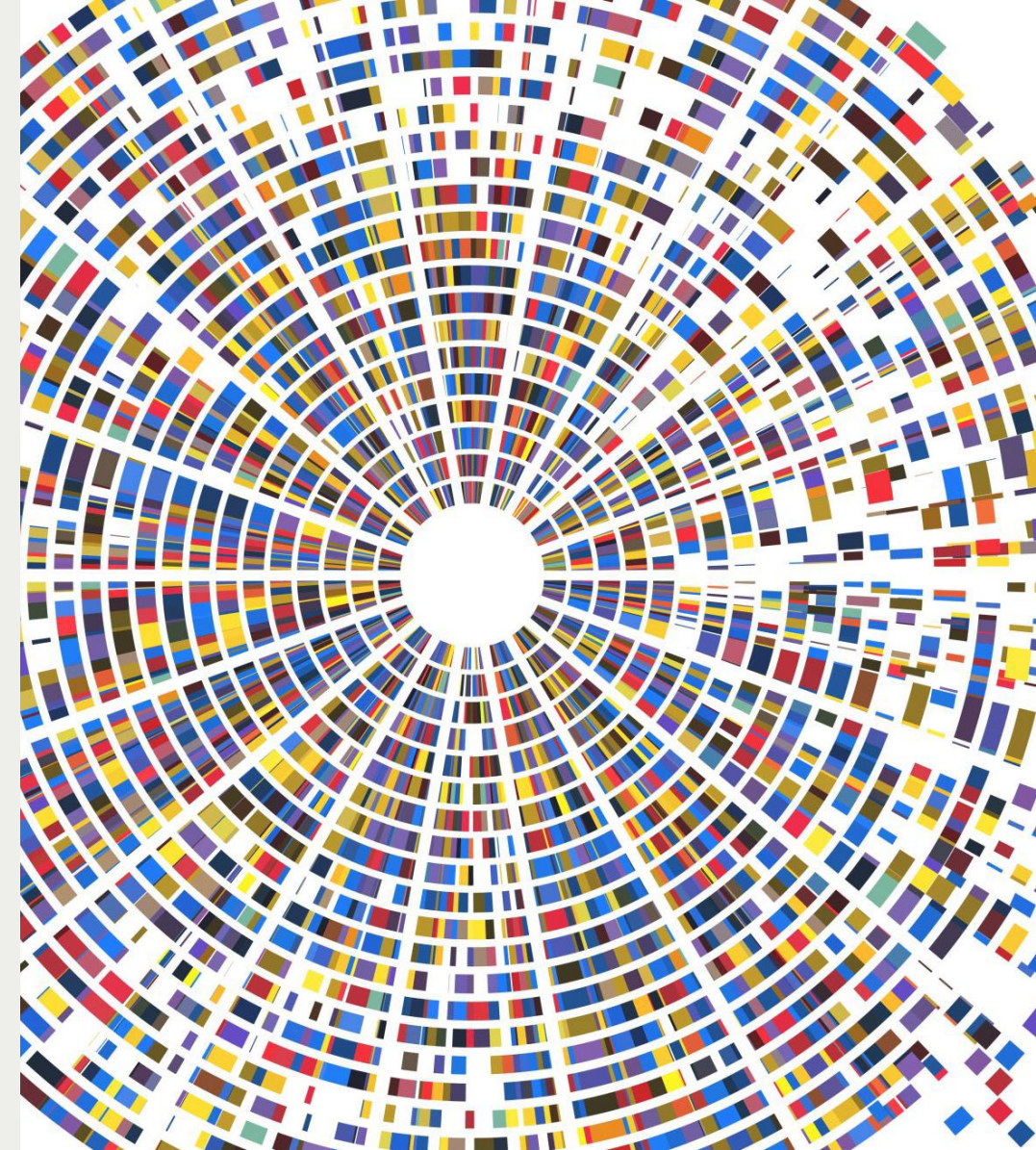


# Cyprus as a destination for headquarter establishment and relocation

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# Why set up your headquarters in Cyprus?

**Cyprus has been experiencing strong and consistent growth in its financial, tourism and leisure service industries and is fast becoming an ideal jurisdiction for setting up the headquarters of foreign businesses.**

# Why set up your headquarters in Cyprus?

## Location

- **Strategically located at the crossroads of three continents**
- **Offers access to developed markets in the Middle East and Europe**
- **Established as a popular destination for expats, business professionals and retirees**

# Why set up your headquarters in Cyprus?

## Business Environment

- **Advanced infrastructure and international competitive business environment**
- **Low cost of doing business**
- **Multilingual and highly skilled workforce**
- **Robust legal and regulatory framework**
- **Strong economic growth**

# Why set up your headquarters in Cyprus?

## Advantageous Tax Regime and other Incentives:

- **12,5% corporation tax on net profits**
- **No withholding tax on dividends**
- **Favourable IP regime as low as 2,5%**
- **Special income tax incentives (50% tax exemption) to all newcomers executives with annual salary at least €100.000**
- **Fast Track Mechanism for Licensing & Immigration for non-EU nationals**
- **Attractive EU-approved corporate tax environment**
- **Attractive tonnage tax scheme for shipowners, managers and charterers**

# Why set up your headquarters in Cyprus?

**Given these facts, it is only normal that leading overseas companies will be looking to Cyprus for an alternative destination to establish their headquarters.**

**The shipping industry, the investment industry, the higher education industry and the technology sectors are the main areas attracting foreign companies.**

# Why set up your headquarters in Cyprus?

Some major foreign companies that already have regional and global headquarters in Cyprus are:

- **NCR - a world leader in consumer transaction solutions;**
- **Amdocs - a leading multinational software and services provider;**
- **Wargaming - a world-renowned video game developer;**
- **Viber - online communications platform;**
- **Sykes - a US multinational business process outsourcing provider;**
- **Thomson Reuters - provider of business information services;**
- **Nielsen - global marketing research firm;**
- **3CX - business communication solutions;**
- **eToro - trading and investing platform;**
- **VTTI -energy storage providers**
- **MUFG - first tier 1 bank in Cyprus**



# **Employment to Companies of Foreign Interests**

**In general a Cyprus company must give priority in employment recruitment to Cypriots and EU nationals before resorting to employ a third country national.**

**However, Cyprus has provided an exception in the law for companies of foreign interests to employ third country nationals subject to certain requirements.**

**On 07.10.2020, the Council of Ministers, reviewed the policy regarding the issuance of temporary residence and employment permits to employees of existing and new companies of foreign interests registered in the Republic**

**According to the new policy, Cyprus will provide residence and work permits for third country nationals for 'companies with foreign interest'.**



# Employment to Companies of Foreign Interests

## Eligible Companies - Companies of Foreign Interest

**Companies of foreign interests must meet the following criteria in order to be eligible to employ third country nationals in Cyprus:**

- 1. Third-country shareholders should own the majority of the company's shares.**

**The following cases are excluded:**

- Public companies registered in any recognised stock exchange**
- Former offshore companies that were operating in Cyprus by approval of the Cyprus Central Bank, before the change of their offshore status.**
- Cypriot shipping companies.**
- Cypriot companies of high technology/innovation, that will be certified by the Deputy Ministry of Research, Innovation and Digital Policy based on the applicable framework.**
- Cypriot pharmaceutical companies or companies operating in the fields of biogenetics and biotechnology.**
- Persons who have acquired Cypriot citizenship by naturalization based on economic criteria, given that they will prove that the conditions under which they were naturalized are still met.**

# Employment to Companies of Foreign Interests

## Eligible Companies - Companies of Foreign Interest

**Companies of foreign interests must meet the following criteria in order to be eligible to employ third country nationals in Cyprus:**

- 2. The ultimate beneficial owner must invest at least €200.000 in Cyprus, for the purposes of operating the company.**

**In case the percentage of foreign participation in the share capital of the Company is equal to or below 50% of the total share capital, in order for the Company to be considered eligible, this percentage must represent an amount equal to or greater than the amount of €200.000.**

# Employment to Companies of Foreign Interests

## Eligible Companies - Companies of Foreign Interest

**Companies of foreign interests must meet the following criteria in order to be eligible to employ third country nationals in Cyprus:**

- 3. The establishment/operation of independent offices in Cyprus, in suitable premises, separate from any private housing or other office, except in the case of business co-habitation.**

# Employment to Companies of Foreign Interests

## Staff Categories

**Companies that meet the above conditions, are entitled to employ third country nationals in the following categories:**

### Directors:

- Directors or Partners registered in the Registrar of Companies and Official Receiver**
- General Managers of branches and of mother companies of alien companies-**
- Departmental Managers**
- Project Managers**

**The minimum acceptable gross monthly salary for Directors is €4.000.**

### Middle management executives and other key personnel

**Upper/middle management personnel**

**Other administrative, secretarial or technical staff**

**The minimum acceptable gross monthly salary for this category is €2.000.**

# Employment to Companies of Foreign Interests

## Staff Categories

**Companies that meet the above conditions, are entitled to employ third country nationals in the following categories:**

### Specialists

**Professionals with specific skillset and specialisation.**

**The minimum acceptable gross monthly earnings for Specialists is €2.000.**

### Support staff

**All third country nationals not included in the above categories.**

**Companies are expected to fill in positions in this category with Cypriot or European citizens.**

**In the case where there are no qualified Cypriots or European citizens available, a company may employ third country nationals in posts in this category at a rate of 30% of the total staff.**

# Employment to Companies of Foreign Interests

STAFF CATEGORY	MAXIMUM ALLOWED NUMBER
DIRECTORS	5
MIDDLE MANAGEMENT EXECUTIVES	10
SPECIALISTS	BASED ON ANNUAL TURNOVER (can be from 5 to 200)
SUPPORT STAFF	30% OF THE TOTAL STAFF

**For employing a greater number of third country personnel under the above categories, duly justified and documented requests by the company must be submitted to the Department.**

## **Employment to Companies of Foreign Interests**

**Where the conditions foreseen in the law are met, the third country national will be granted a temporary residence and employment permit.**

**The validity of the permit depends on the duration of the employment contract and can be up to two (2) years, with a right of renewal.**

**Directors, Middle management executives and other key personnel as well as Specialists (Staff categories 1-3) may reside in the Republic without a time limit, provided they hold a valid temporary residence and employment permit.**



# Employment to Companies of Foreign Interests

## Family Members

**Third country nationals with residence and employment permits under staff categories 1-3 of the Policy, have direct access to family reunification with their family members (spouse and minor children), provided that the relevant conditions of the Aliens and Immigration Law, Cap.105 as amended, are met.**

**In such cases, third country nationals who are family members (spouse and minor children) can enter and reside in Cyprus after the sponsor has followed the procedure for family reunification.**

# Thank you.

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