



INTERNATIONAL CORPORATE TAX

Cyprus: An attractive location for foreign investment

Oslo, Copenhagen 2009

TAX

Cyprus: An investment opportunity

An attractive investment destination

Why invest in Cyprus:

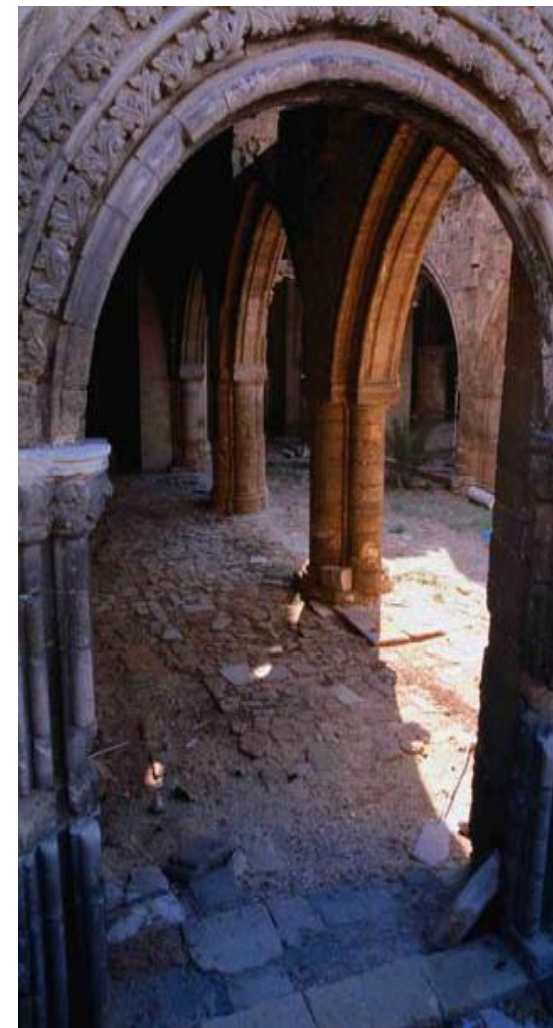
- Lowest corporate tax rate in Europe at 10%;
- Extensive double tax treaty network;
- Strategic geographic position;
- International business centre for operations in shipping,
- Politically and economically stable environment for running a business;



An attractive investment destination

Why invest in Cyprus:

- Advanced legal system and accounting services;
- Convenient year-round flight connections;
- Highly skilled, educated and multilingual workforce;
- Comparatively low set-up costs;
- Excellent telecommunication systems.



Cyprus: An investment opportunity

An attractive investment destination

A Robust Economy:

- EU Member – 2004;
- Member of the EuroZone – 2008;
- Real annual GDP growth: 3,7%;
- Inflation rate: 4,4%;
- Unemployment: 3,6%;
- Per Capita Income: 92% of the EU 27 Average.



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The Republic of Cyprus is a member of:

- **The European Union (2004)**
- **The European Monetary Union (2008)**
- The United Nations (1960)
- The Council of Europe (1961)
- The World Trade Organization (1995)
- The International Bank for Reconstruction & Development (1961)
- The Commonwealth (1961)
- The World Bank (1962)
- The International Development Agency (1962)
- The International Monetary Fund (1962)
- The International Centre for settlement of Investment Disputes (1966)



Cyprus: An investment opportunity

Doing Business Through Cyprus

- Cyprus is an ideal Business Centre for Inward Foreign Direct Investment;
- Investors have the opportunity through Cyprus to penetrate emerging markets both within Europe and non-EU countries;
- Cyprus has been classified by the IMF to be among the 32 advanced economies in the world for 2008.



The Government of the Republic of Cyprus and Microsoft sign a Memorandum of Understanding. (Nicosia, 28th January 2008)

Foreign Direct Investment in Cyprus

➤ Cyprus FDI Inflows:

Cyprus has managed to attract substantial Foreign Direct Investment;

–2008 €1,725 million;

–2007 €1,588 million.

➤ The services sector has remained the main recipient of FDI in 2008 as follows:

–Real Estate and Business Activities: €39,6 million;

–Trade and Repairs: €292,9 million;

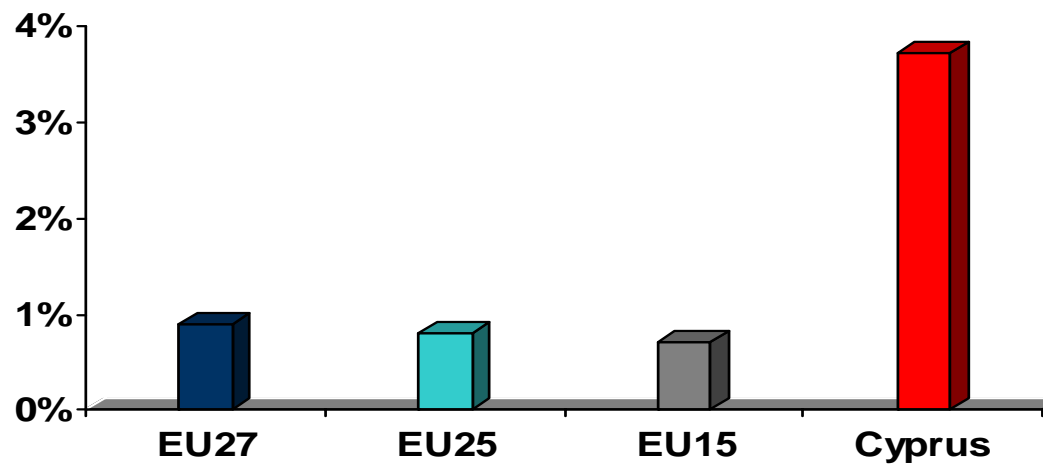
–Financial Intermediation Services: €492,5million

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High Growth Rate:

Real GDP growth rate in Cyprus well above the average growth rate of EU 27, EU25 and EU15

Real GDP Growth Rates in 2008



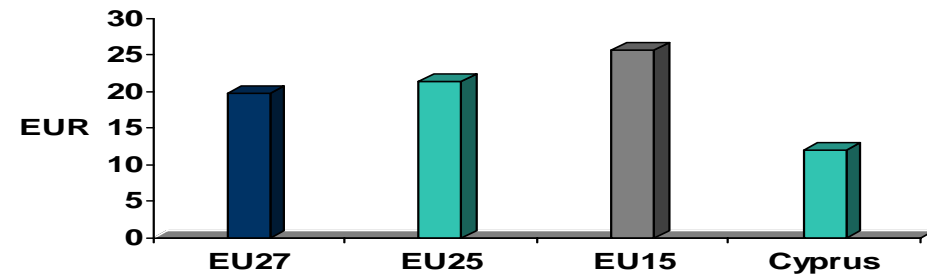
Source: EuroStat

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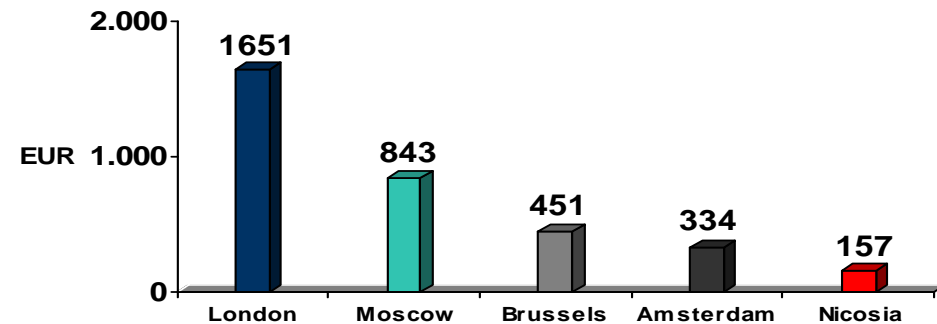
Low set-up costs:

- **Telecommunications costs** are one of the lowest in the European Union;
- **Labour costs** are significantly lower in Cyprus when compared to the EU average;
- **Cost of living:** Cyprus city, Limassol was ranked as one of the least expensive cities globally.
- **Occupancy costs:** Office and living accommodation is relatively inexpensive with considerable choice.

**Average Hourly Rates
Labour cost**



**Total Occupancy Costs
Based on "gross" rents**

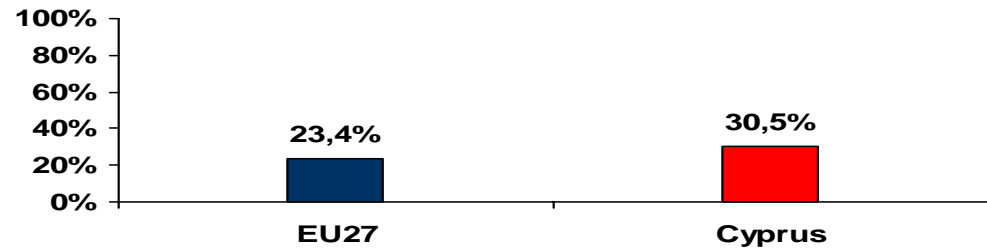


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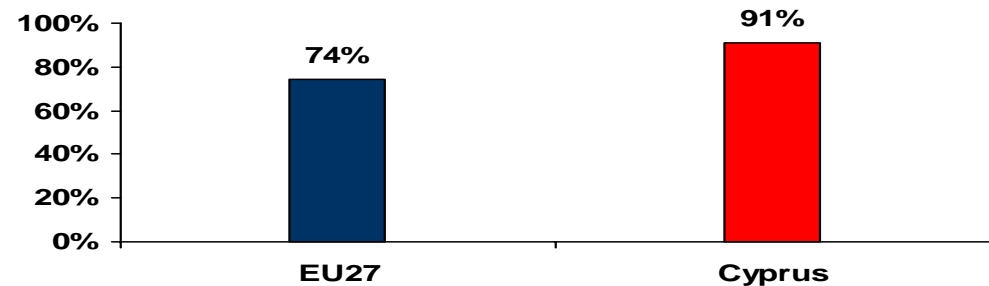
Highly skilled labour force:

- ✓ High level of education;
- ✓ Highly qualified;
- ✓ Multilingual.

Percentage of population with tertiary education
Ages 25-64



Average Students learning English
1998-2006



Source: Statistical Service of the Republic of Cyprus; EuroStat

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An international Business Centre

- ✓ International quality financial and business services;
- ✓ An active stock exchange;
- ✓ Robust Securities and Exchange commission;
- ✓ A tradition of confidentiality with legal support;
- ✓ Authorities who want to help your business.



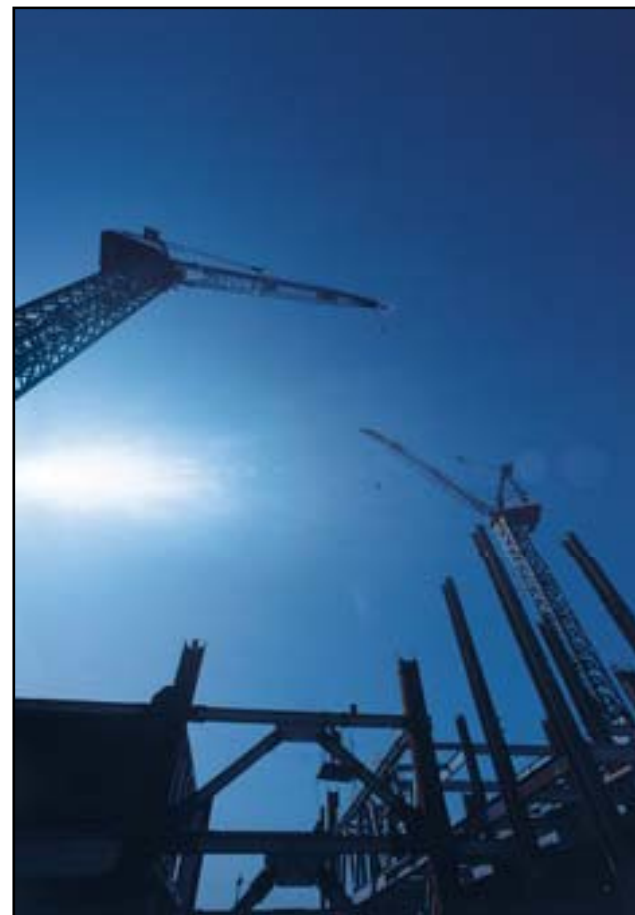
More than 30 years experience as an International Business Centre

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Attractive Infrastructure Projects

The Government of Cyprus aims at a stronger involvement of the private sector in:

- Reconstructing the Island's two major airports (Paphos and Larnaca's International Airport);
- Various Marinas (The Limassol marina alone is a €250m project);
- Solar Desalination Plant: a project with MIT(USA);
- Developing more prestigious golf resorts along with the existing ones in Paphos and Limassol.



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Safe, Sunny and Stress Free!

- Security and safety;
- Excellent public and private international Schools;
- High Standard of Living, low stress, minimal commute;
- Exclusive Golf Resorts;
- High quality tourist facilities;
- Gastronomy;
- Millennia of culture, history and art;
- Fabulous weather.



Acquisition of property in Cyprus

- **EU National (not resident in Cyprus)**

**CY/ EU / OTHER
COMPANY**

Owned / Controlled by EU National

Can acquire

-Land (no permit)

-House or Apartment (permit needed)

- **EU National (resident in Cyprus)**

Can acquire any number of properties provided he obtains relevant certificate (that he is a Cyprus resident)

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Conclusion:

- Cyprus offers tremendous advantages to Investors, from tax to business infrastructure and attractive lifestyle;
- The Cyprus Government welcomes and fully supports collaboration between Cypriot and European Union companies;
- As an EU member, Cyprus offers a gateway to Europe and emerging economies offering challenging opportunities.

Cyprus: An investment opportunity

“Building on decades of steady development, underpinned by formidable reservoir of professional and administrative talent and blessed by one of the sunniest climates in the world, the Republic of Cyprus is becoming known as a place where money works and where things get done”

Forbes, Investing Guide



General comments & questions

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