

Cyprus: A dynamic business and investment centre



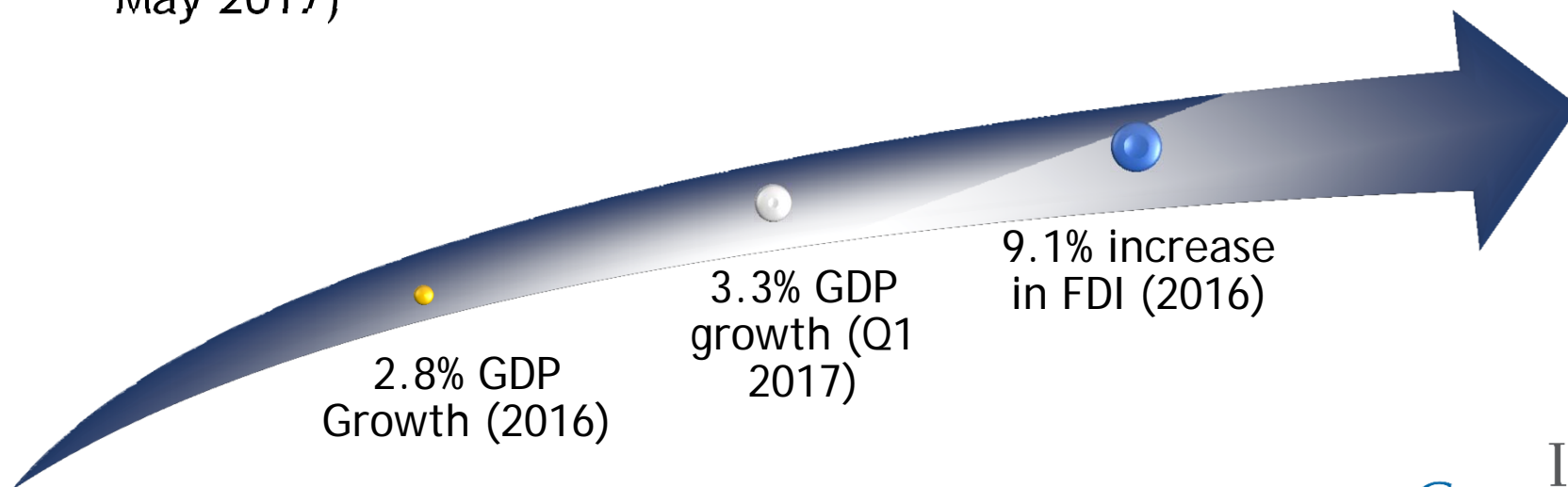
Cyprus-Lebanon Business Forum
Beirut, 13th June 2017

Cyprus Investment Promotion Agency

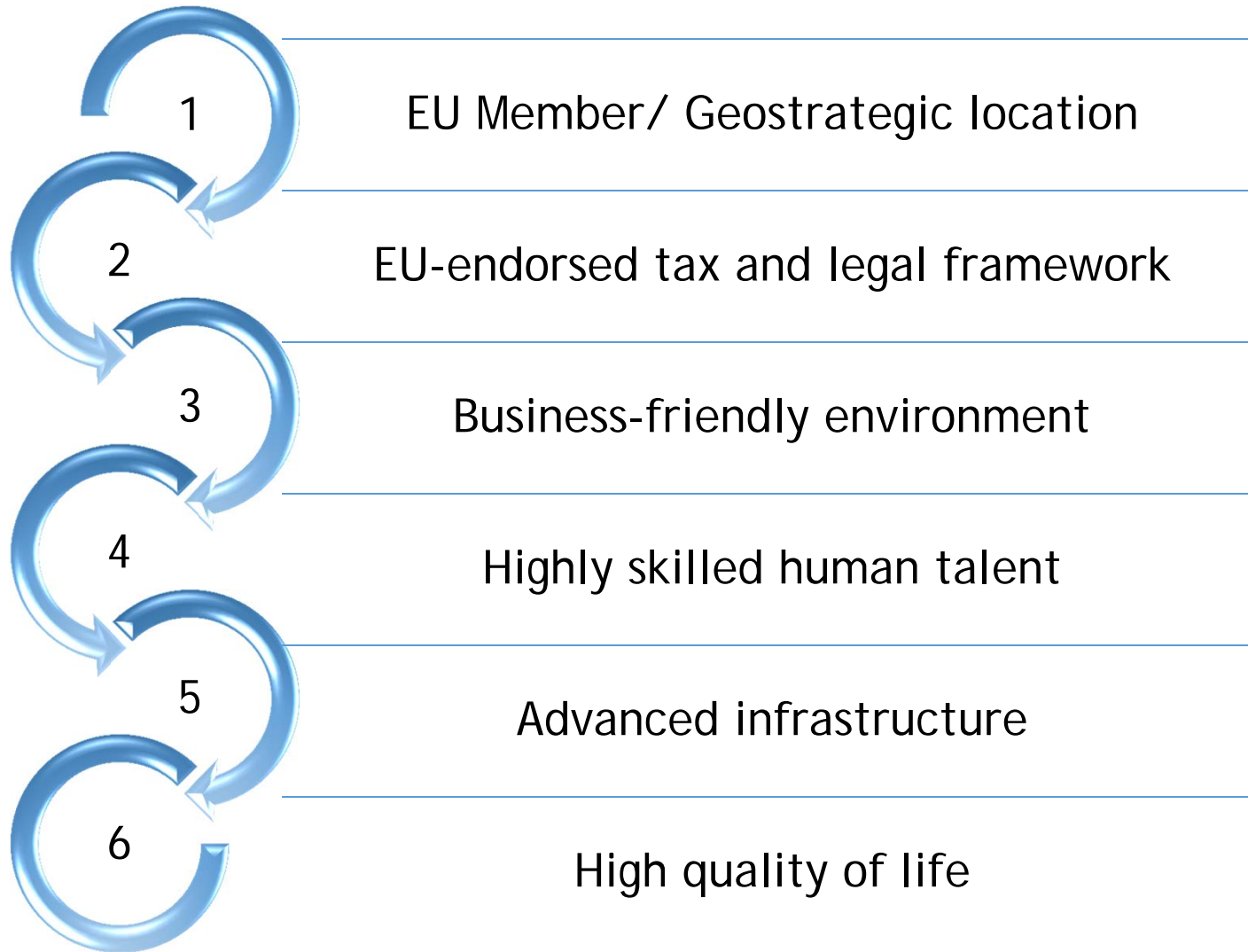


Cyprus: positive outlook for the economy

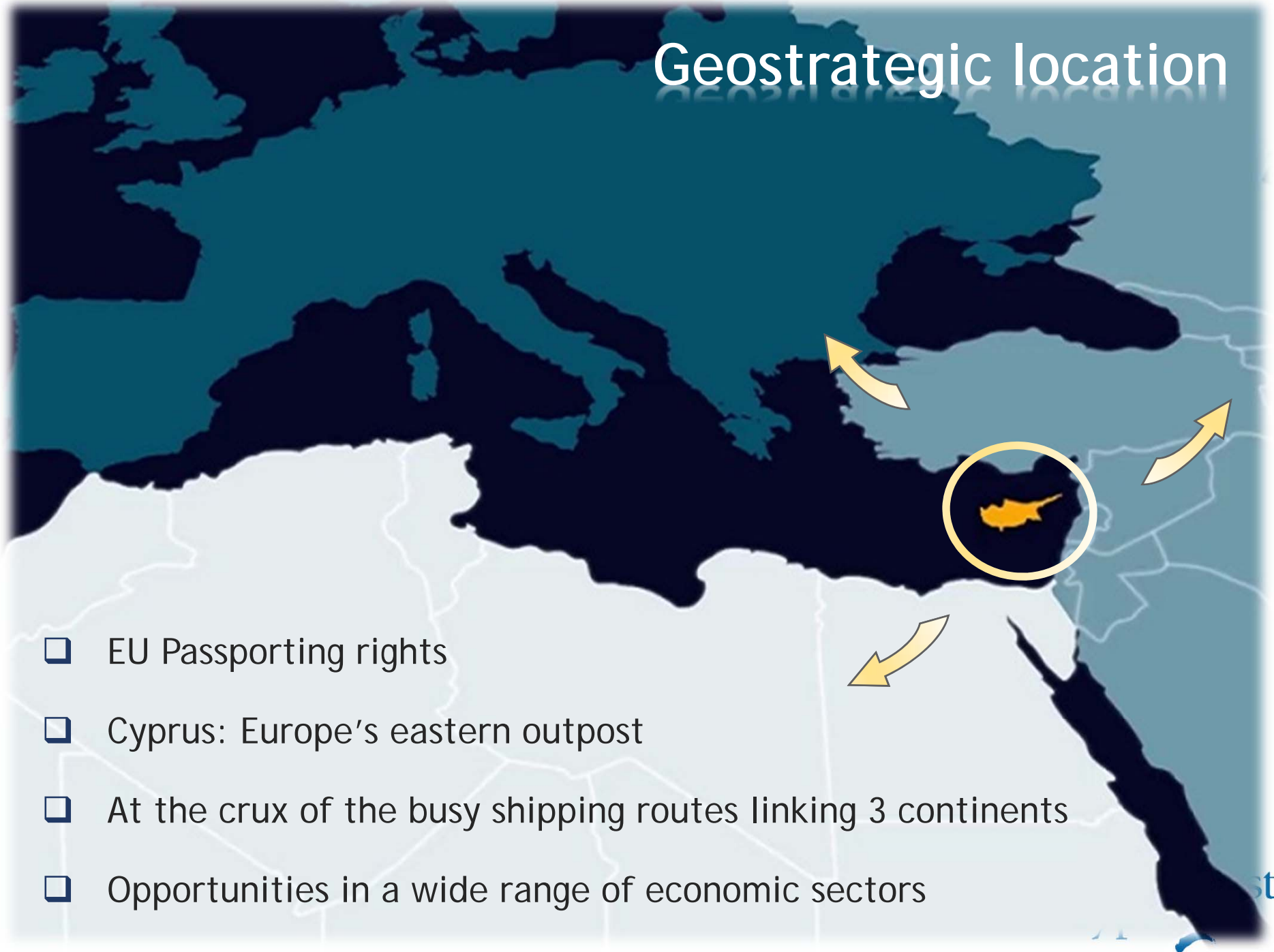
- ❑ Cypriot Economy expanded faster than the EU average in 2016 (2.8%)
- ❑ GDP growth of 3.3% in Q1 2017
- ❑ Continuous upgrades by International credit rating agencies
- ❑ GDP growth of around 3% expected to continue (Moody's report, May 2017)



Cyprus: competitive advantages



Geostrategic location



- ❑ EU Passporting rights
- ❑ Cyprus: Europe's eastern outpost
- ❑ At the crux of the busy shipping routes linking 3 continents
- ❑ Opportunities in a wide range of economic sectors

Cyprus: legal system

Fully
transparent

Based on
Common Law
Principles

Harmonized
with
international
standards

Application
of EU
directives



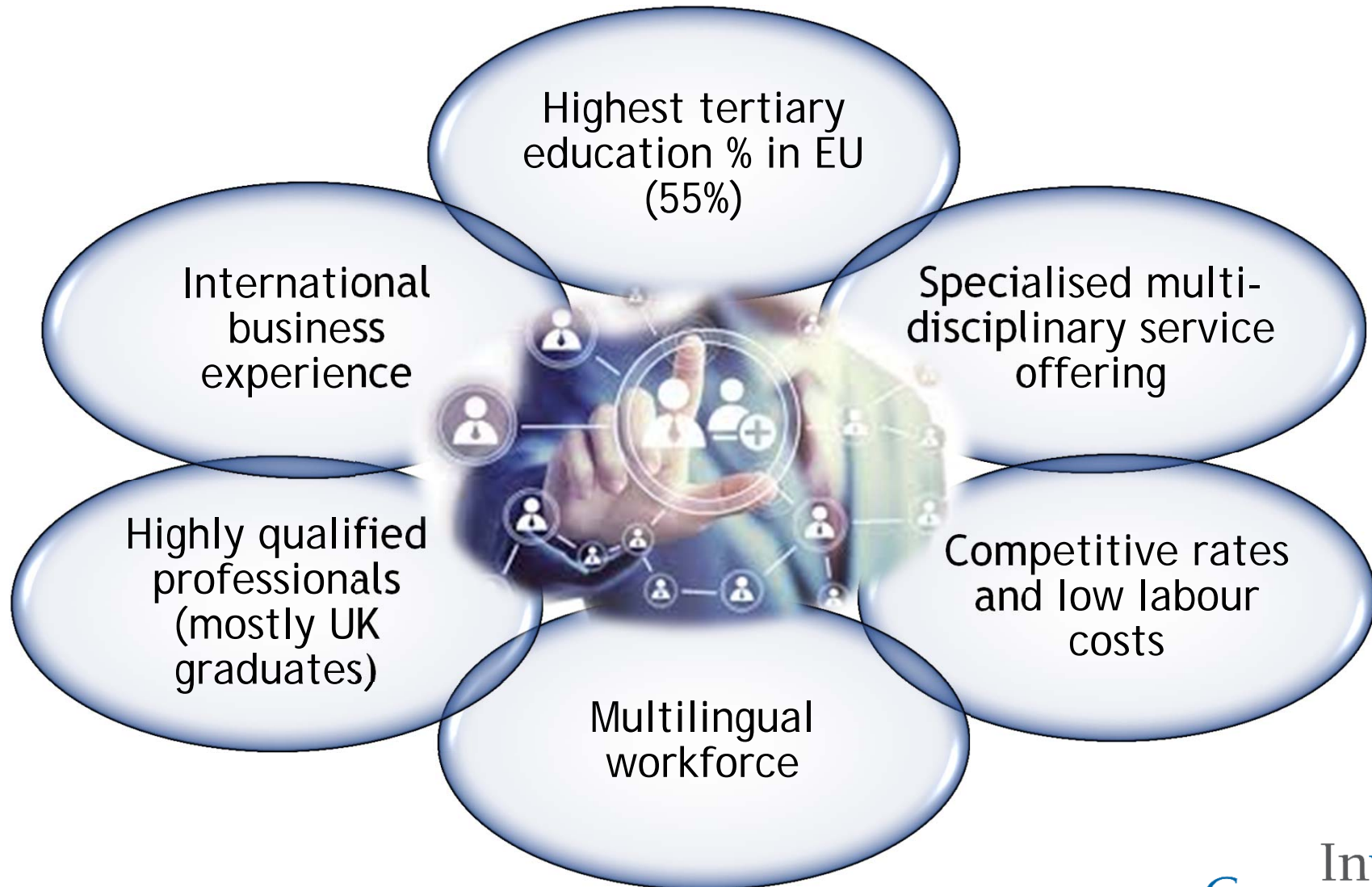
Cyprus: attractive tax regime

- EU & OECD Compliant / Access to EU directives
- Corporate tax rate at 12,5%
- Dividend participation exemption
- No tax on profits from disposal of securities
- No withholding taxes



- No taxation of capital gains under conditions
 - Notional Interest Deduction (NID) on investment in Cypriot companies
 - Attractive IP Regime
- Exemptions for new residents and non-domiciled individuals

Cyprus: human talent



Cyprus: professional services

- ❑ Widely recognised as International “Centre of Excellence”
- ❑ International Financial Reporting Standards (IFRS) for 3+ decades
- ❑ 1st jurisdiction being authorised for the training of UK Chartered Accountants and CIMA outside the UK
- ❑ Wide pool of finance and insurance professionals
- ❑ 120+ accounting firms and 4000+ active, English-speaking registered accountants
- ❑ 160+ law firms and 3,000+ registered advocates (Mostly UK-trained)
- ❑ 80+ registered Actuaries
- ❑ High availability of lawyers with maritime specialisation

Cyprus: an ideal regional headquartering location

- A robust and modernised business hub with easy access to a market of 500 million EU citizens
- A reliable partner within the European Union that can offer competitive benefits and solid business solutions



Cyprus: quality of life

- 🌊 1st in safest small countries and 5th globally (Value Penguin 2015)
- 🌊 Limassol, 4th best retirement destination globally (Knight Frank 2016)
 - 🌊 Most blue flag beaches in the EU (Eurostat)
- 🌊 Bathing water quality ranked “excellent” and 2nd in EU (EEA Report 2016)
 - 🌊 2nd best climate worldwide (InterNations Survey 2015)



Cyprus: key economic sectors



Banking & Financial Services

Investment Funds

Shipping

Tourism

Health & Wellness Tourism

Real Estate

Education

Start-Ups & Innovation

Energy

Cyprus: banking and financial services

- The Banking Sector has attracted significant amounts of FDI, including funds from the EBRD
- EIB supports Cyprus for the last 35 years with investments of €2.7B
- Cypriot Banks are fully recapitalized and regulated by the ECB under very strict guidelines
- Cyprus has implemented the Anti-Money Laundering Law (188(I)/2007)



Cyprus: Investment funds



Cost-efficient and simple to set-up and run

Robust & business friendly regulatory framework

Supervised by a competent & accessible regulatory authority

Most income of a Cyprus tax resident Fund is tax free

No restrictions by the Regulator on type of investments

Reduced reporting requirements

Cyprus: shipping & maritime cluster



✓ EU approved tonnage tax regime with benefits for:

- ✓ ship-owning
- ✓ ship- & crew-management
- ✓ chartering

- ✓ Open registry allowing non-Cypriots to register ships under Cyprus flag
- ✓ Largest Ship Management Centre in EU & 2nd largest globally
- ✓ 3rd largest merchant fleet in EU & 11th largest fleet worldwide
- ✓ Advanced maritime infrastructure & 2 multipurpose deep-sea ports
- ✓ Cyprus Flag: 1,022+ vessels with 21 million gross tonnage
- ✓ 140+ ship owning & ship management companies in Cyprus

Cyprus: tourism

- Renowned tourism destination
- Record tourists' arrivals in 2016 (+3m)
- Significant revenue increase (+12%)

hospitality & tourism - large-scale projects



- Marinas
- Hotels
- Luxury Developments
- Leisure & Theme Parks
- Luxury Resorts
- Golf Courses
- Integrated Tourism Resort
- Integrated Casino Resort

Cyprus: start-ups & innovation

Incentives

- Income tax relief of up to 50% of taxable income for natural persons investing in qualifying Start-ups
- Upper limit of deduction €150,000/year
- Right to claim the tax relief within a 5-year time period
- Start-up visa for qualifying applicants



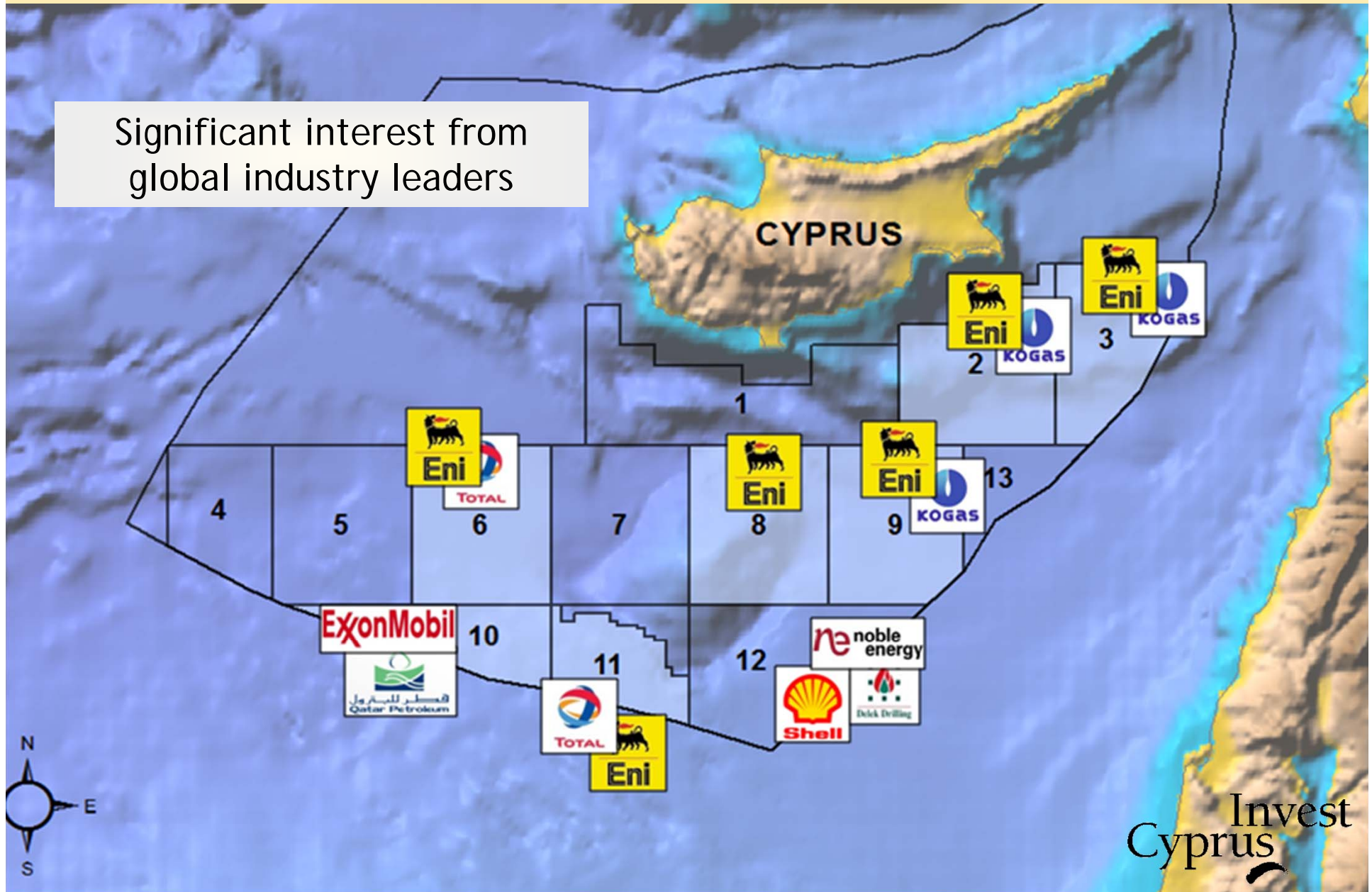
Cyprus: research & development



- Attract international know-how to harvest local talent
- Build Centres of Excellence
- Encourage foreign investment into local start-ups

Cyprus: oil & gas - 3rd licensing round

Significant interest from global industry leaders



Thank you!



Natasa Pilides
Director General