

## CYPRUS: A leading investment funds centre in the EU

Cyprus has emerged into a leading investment funds centre in Europe offering direct access to key markets. The island is an ideal investments gateway into the European Union and a portal for investments outside the EU, particularly into the Middle East and India. Cyprus' competitive advantages are further enriched by a robust and transparent legal and regulatory framework and a versatile tax regime.

### FUND STRUCTURES

UCITS Undertakings for Collective Investment in Transferable Securities	AIFs Alternative Investment Funds	AIFNLPs AIF with Limited number of Persons	RAIFs Registered AIF
<b>Required service providers in Cyprus</b>			
<ul style="list-style-type: none"> <li>A Cypriot or a foreign bank with a branch in Cyprus, or any other entity licensed to provide depositary services</li> <li>Administration can be outsourced</li> </ul>	<ul style="list-style-type: none"> <li>Depositary based in Cyprus, EU or 3rd country with cooperation agreement with Cyprus; when managed by AIFM depositary should be in Cyprus</li> <li>Administration can be outsourced</li> </ul>	<ul style="list-style-type: none"> <li>Depositary based in Cyprus, EU or 3rd country with cooperation agreement with Cyprus; possible exemption</li> <li>Administration can be outsourced</li> </ul>	<ul style="list-style-type: none"> <li>Depositary based in Cyprus except for Limited Partnerships managed by a MiFID entity</li> <li>Administration can be outsourced</li> </ul>
<b>Management company requirement (a Cyprus or an EU licensed management company)</b>			
Self-managed if Variable Capital Investment Company (VCIC) (conditions apply)	Self-managed if a company (conditions apply)	Self-managed if a company (conditions apply)	Yes - external
<b>Minimum capital requirement</b>			
€200,000 (€300,000 if self-managed)	€125,000 (Internally managed funds)	€125,000 (Internally managed funds)	No minimum requirements
<b>Eligible &amp; number of investors</b>			
All types / Unlimited number	All types / Unlimited number	Professional / Well-informed investors / 50 investors	Professional/Well-informed investors / Unlimited number
<b>Listing</b>			
Possible	Possible	Possible	Possible
<b>Regulatory authority</b>			
CySEC	CySEC	CySEC	CySEC – no licensing is required
<b>Umbrella funds</b>			
Yes	Yes	Yes	Yes
<b>Legal structure</b>			
VCIC, Common Fund (CF)	VCIC, Fixed Capital Investment Company (FCIC), CF, Limited Partnership (LP)	VCIC, FCIC, LP	VCIC, FCIC, CF, LP

## MAIN TAX FACTS

- No tax on profit from disposing securities/titles
- No capital gains tax on profit disposing/redeeming units in funds unless the fund owns immovable property in Cyprus
- No capital gains tax arises if the fund owns immovable property in Cyprus but is listed on a recognized stock exchange
- Notional interest deduction is available on equity contributions into the fund
- No withholding tax on dividend payments to Cyprus non-tax residents and/or non-domicile
- Low corporate tax rate – 12.5%
- Special tax rate - 8% on income from fund management services
- No VAT on management and administration fees
- Access to all EU directives and to more than 60 Double Tax Treaties
- No tax on dividend income received by the fund

## OUR ADDED VALUE ADVISORY SERVICES

We can assist in designing and implementing the most efficient tax and operational fund structure, to best accommodate your requirements and goals. We will advise and oversee on legal, regulatory, taxation, administration and secretarial matters and we will provide ongoing assistance on corporate governance and business matters of importance.



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