

The accession of Cyprus to the European Union in 2004, combined with major tax reforms, resulted in international businesses and entrepreneurs choosing Cyprus as the jurisdiction to set up and operate holding companies for the purpose of managing and controlling their world wide investments and business activities.

A Cyprus registered holding company (CRHC), with non-resident shareholders, features major tax advantages, such as:

- Profits of the CRHC are only taxed at a flat rate of 12,5% as from the year 2013
- No tax on dividends received by the CRHC from overseas investments
- No withholding tax on dividends paid to the shareholders of the CRHC
- No tax on the disposal of shares in the CRHC
- No tax upon liquidation of the CRHC

CRHC are commonly used as intermediaries, specifically for:

- International groups and entrepreneurs investing outside Cyprus to receive tax free dividends.
- Disposal of overseas subsidiaries. Any gains are tax exempt in Cyprus.
- Utilise beneficially the Cyprus Double tax treaty network.
- Administration of trading and other commercial activities.

The registration of CRHC is simple and cost effective and under normal circumstances it can be concluded within a few days.

There are certain reporting requirements, in accordance with local regulations, such as keeping proper books of account of all transactions, assets and liabilities of the CRHC, preparing annual audited financial statements and submission of an annual income tax return. AGP can advice you upon and undertake all requirements