



COMPANY FORMATION AND RESIDENCY IN CYPRUS

PART 1

COMPANY FORMATION IN CYPRUS

Privacy Management Group offers you free support and advice

via telephone, Skype or in person at our support centre in Larnaca, both before and after the formation of your company and your residence relocation.

Your mandate agreement with Privacy Management Group

In order to assist you in the formation of your company in Cyprus we will require you to authorise us by written mandate. Our support centre can make a template for this mandate available to you on request. Phone: (+357) 240-204-00
Mail: backoffice@tax-residence.com

The following documents are required for company formation

For the formation of your company, we will require a **copy of your identification document** (ID or passport), a **recent consumption bill** (electricity or water bill, or similar), a **reference letter from your bank** as well as a **short curriculum vitae***. These documents are legally required as part of the „KYC-Policy“ and are therefore absolutely necessary.

* Documents are required for every company partner

We will also require you to submit at least three **possible names for your company**. The proposed names will be checked against the relevant company register. This process normally takes about five working days.

Your company formation in an all-inclusive, full service package

After we receive the written mandate, and you have submitted all the documents necessary for company formation, we will support you with the following services – **with no hidden costs:**

- **Free support and advice on questions relating to taxation in Cyprus;**
- **Verification of the company name** with the commercial register in Cyprus (EU);
- **Drafting of the Articles;**
- **Drafting of the Partnership Agreement;**
- Submission of the **documents for company formation** with the commercial register in Cyprus;
- **Payment of all fees relating to company formation and registration;**
- Certification of **register documents including translation** (into English);
- Support in **opening a business bank account** in Cyprus;
- Support in **opening further bank accounts, both domestic and international;**
- **Provision of a Registered Office and Registered Agent** for your Cyprus company;
- Application for your personal and business **tax file numbers;**
- Application for your **Value Added Tax (VAT) number;**
- Preparation of the **opening balance** of your company;
- Set up of the **current accounting** and VAT accounts;
- Drafting of your **employment contract;**
- Set up of **payroll accounting;**
- **Application** for the required **social security number(s);**
- **unlimited support and advice for legal and tax matters in Cyprus.**

Company formation in Cyprus takes between five and eight working days.

You will initially receive documents relating to the registration of your company by email, **original** copies will follow some days later by mail!

Applications for the VAT and tax file numbers

Immediately after company formation we will file applications for the **tax file and VAT numbers** for your company. We will prepare all documents required for these applications for you. For the application for the VAT number we will only need you to make a so-called pro forma invoice available to us. We will send you an appropriate **template with brief instructions** by email at the appropriate time.

Opening of bank accounts

Privacy Management Group offers you a **banking service** for your business bank account **free of charge**. You can choose between various national and international banks and financial service providers. Online banking and Visa- Mastercard are included.

Estimated turnover

As is standard in the EU, the tax authority in Cyprus requires an advance payment of the taxes on the estimated future profits.

In Cyprus, it is your prerogative to make this estimation; **it is not up to the tax authorities**. Again, we will be happy to provide you with a template and instruction brief.

Furthermore, we are available to provide support and advice at any point. We are always here for you!

COMPANY FORMATION AND RESIDENCY IN CYPRUS

PART 2

RESIDENCY IN CYPRUS

Registration & non-dom status after company formation

After registering your company with the relevant commercial register, it will be time to conduct the final preparations for your residency relocation:

1. Your residency in Cyprus

We will actively support you free of charge in your search for a suitable property in Cyprus. Whether you are looking to buy or rent a house, apartment, or even a studio, we are happy to be of assistance.

Although proof of a valid rental agreement is required to officially take up residence in Cyprus, the law does **not** regulate a minimum size for your home, **nor** is there a minimum monthly rent.

Note: You should also keep in mind, that your company will need an **official business premises** in order to be recognized by the international tax regulations. If your new apartment or house is large enough, you may not need to organize separate offices (business premises) for your company.

Rental agreements with a monthly rent of less than 500.00 Euro require a simple certification by a local "Notary" for submission to the immigration office. The costs for this certification are 5.00 Euro. If your monthly rent exceeds 500.00, you will also require a stamp from the local tax authorities. This is also subject to a small fee.

If you so desire, we are happy to help you in your search for a suitable rental property. Privacy Management Group has long-standing contacts with numerous regional and international real estate agencies and property developers. We are certain that we will be able to find your dream property in no time.

We will gladly assist you in reviewing your rental agreement and organising the necessary certifications, whether by the notary or the tax office.

Would you prefer to buy an apartment or a house in Cyprus? Privacy Management Group is not contractually tied to any developer or real estate agency. So if you are considering purchasing real estate, do not hesitate to contact us. Our advice to you is free of charge and objective.

2. Your employment contract and social security number

In order to officially register with the immigration office in Cyprus, you will need to submit a copy of a valid employment contract. This employment contract will be concluded between you, the employee, and your company, the employer. On the basis of an in-depth consultation with our tax consultant, we will prepare an appropriate contract template for you. All you have to do is sign!

Registration with the social security authority is another requirement for registering your residence in Cyprus. We will organise this after we have signed the aforementioned employment contract. We will not need any further action on your part to complete this registration.

3. Letter of Employment

This refers to a written confirmation from your "employer", which certifies that you are indeed employed by the company, in a position subject to social security obligations. We will of course also prepare this certification for you.

4. Prepaid / mobile number in Cyprus

Finally, you will need a **local mobile phone number**. We recommend the following three mobile network providers in Cyprus (EU): CYTA, MTN and PrimeTel.

Which provider you choose is of course entirely up to you. In any case, a simple PrePaid card, which can be bought at any news-stand, will be sufficient. These SIM cards can be activated immediately. SIM cards of this kind are available from 2.50 Euro.

If you should require our assistance, we are always happy to be of service.

5. Application documents for the Immigration Office

We will prepare all **applications and forms** necessary for registration for you. On the day of your registration you will receive a folder containing **all documents, certificates and forms necessary for registration**.

Registration Day in Cyprus

As soon as we have completed points 1-5 above, we will organise an appointment for you with the immigration office in Cyprus.

We will of course be happy to personally accompany you to this appointment and we can therefore assure you that your registration will be rounded off quickly and without complications. Upon receiving the so-called **Yellow-Slip** (subject to a fee of about 20.00 Euro) you will be officially registered in Cyprus, and can now apply for **non-dom-status**.

Application for non-dom status in Cyprus

Congratulations! You now have a **personal tax number and a social security number** in Cyprus and are furthermore the proud owner of a **Yellow-Slip**,

which will serve as your proof of residence in Cyprus on future occasions. On top of this, you now also fulfil several of the prerequisites to apply for **non-dom status** – we will therefore file your application for this immediately, on the day of your registration. You should automatically receive your non-dom certificate only a few weeks later.

COMPANY FORMATION AND RESIDENCY IN CYPRUS

PART 3

WE ARE YOUR PARTNER, ON LOCATION IN CYPRUS

You are now the proud owner of a Yellow-Slip, can officially claim "non-dom" status in Cyprus, and your company is equipped with all the tools to enable active participation in the national and international market. This means we can now start providing you with our main services.

Accounting, fiscal obligations and tax returns It is not just our services for company formation and residence relocation which we offer in a comprehensive full service package; our annual fees include several services, which you and your company in Cyprus may require. A brief overview of the services included in our annual fees shows you that we have put a lot of thought into formulating a comprehensive service package:

Full Service Package - one annual fee - all services

- **ongoing tax advice** for your company, full consultation **without** additional fees;
- **ongoing support** via mail, telephone or in person at our support centre;;
- **ongoing payroll accounting** and declarations to the social security provider;;
- **ongoing VAT declarations;**
- submission of **VAT declarations** with the relevant tax authority;
- **ongoing accounting services;**
- Compilation of the **annual balance sheet** at the end of the calendar year;
- **Balance sheet review** and consultation;
- Submission of the balance sheet to our **auditor**, including audit and certificate;
- Submission of the **annual balance sheet**, preparation of applications/appeals;
- Communication with the tax authorities in Cyprus;
- **Review of the tax assessment;**
- Debriefing;

- When necessary, filing of appeals, representation.

incl. administration and other services

- Fees for the required **Registered Office** in Cyprus;
- Fees for the required **Registered Agent** in Cyprus;
- Trustee fees (if required), **general Power of Attorney**;;
- **Support and advice on location (also offered in German).**

incl. on matters regarding private tax returns and non-dom in Cyprus

- **Private tax advice** (non-dom in Cyprus);
- Support via mail, telephone or in person at our support centre;
- Compilation of the **annual tax returns** at the end of the calendar year;;
- Communication with the **tax authorities** in Cyprus;
- **Review** of the tax assessment;
- **Personal support on location (also offered in German)..**

All services in one place, for one fixed fee! Privacy Management Group has in-house lawyers, tax consultants and accountants, which have all been with us for many years, and which will be happy to be of assistance to you and your company. It goes without saying, that our company has the necessary accreditation in Cyprus, pursuant to ICPAC.

Note regarding your private bank account and the payment of dividends

It is of course up to you, where you set up your personal bank account. This can be done in every country around the globe and we are happy to be of assistance regardless of the bank you choose. Nonetheless, our experience over the past years has shown, that there are certain advantages to having at least one private bank account in Cyprus. **Why?**

As a "non-dom" in Cyprus, you can have any internationally-generated dividend paid out to you at any time. For the sake of oversight, it is therefore recommended that the payment is always made to the same bank account. If this bank account is based in Cyprus, this will significantly simplify the accounting procedures required by the tax authorities. And keep in mind: you can always transfer these payments elsewhere at the click of a button.

If you would prefer your dividends to be transferred to a private bank account abroad, this is of course also possible. However, this will increase the likelihood of inquiries from the tax authorities.

In any case, **when dividends are paid out** to your private account, you will have declare this with the tax authorities. You should therefore pay attention to the following two points:

1. **The purpose of the transfer** should clearly indicate the payment of dividends. On request, we can provide you with a suitable sample text.

2. Please inform us about the dividend payout **before any transfer of dividends**. Again, we will be happy to provide you with a suitable sample text, on request.

We will automatically forward this notice to the tax authorities and add it to your accounting records.

Note regarding opening of bank accounts in Cyprus

In order to open a bank account in Cyprus, the bank of your preference will require the following documents, pursuant to the regulations imposed by the central banking authority:

- Copy of your identification document,
- Copy of your employment contract,
- Copy of a consumption bill (electricity or water), which displays your name and private address in Cyprus,
- Reference letter from your previous bank in English,
- Your most recent income tax return in English,
- Short curriculum vitae in English,
- Completed questionnaire for account opening, incl. company documents..

Of course we will be happy to be of assistance, if you need support in obtaining any of the required documents.

If, for whatever reason, you should not be able to obtain all the required documents, we will also be happy to consult you as to alternative banking options.

We thank you for taking an interest in our services. If you should have any questions, requests or suggestions, please do not hesitate to contact us.

With kind regards,

Your team at Privacy Management Group^{Ltd.}

61-63 Lord-Byron-Street, 5th Floor

6023 Larnaca, Cyprus

Phone: +357 240 204 00

backoffice@zypem-limited.com

backoffice@tax-residence.com

The sole purpose of the content supplied by Privacy Management Group^{Ltd.} (hereinafter referred to as PMG) in this document is to inform the user. PMG, the author / publisher, takes great care in the assembly of informative documents. Nonetheless, PMG makes no representation and gives no warranty that the information provided is complete, correct, up-to-date or available. PMG reserves the right to make changes and correct errors.