



The Great Britain-Cyprus Business Gazette

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Permanent Residence Permit:

New Investment Criteria

The main differentiation that has taken place through the third revision is that they will now be able to obtain a permanent residence permit and those third-country nationals who invest in real estate in Cyprus (total value of at least 300 thousand euros), excluding houses and apartments, which will also involve resales. Until now, investment in the form of properties such as offices, shops, hotels or similar development should be for the first sale. (Page 13)



England's lockdown to ease as planned on 12 April



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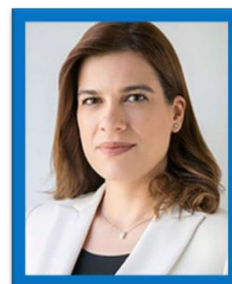
International travel rules remain uncertain
The expectation was that cautious opening up would begin as planned on 17 May, as originally mooted. (Page 10)

Upcoming 6th INTERNATIONAL WEBINAR

Cyprus and United Kingdom: The promising Lands? – Services and Opportunities

The Great Britain – Cyprus Business Association organise the 6th International webinar which will be held on Tuesday 20 April 2021.

Visit www.gbcy.business/webinar and register to attend (Page 6)



CySEC strengthening trust in financial markets



CYPRUS SECURITIES AND EXCHANGE COMMISSION

According to its Chairperson, Demetra Kalogerou, CySEC continues to grow despite the pandemic.

Of all the lessons provided by financial crises, none is more profound than the loss of trust.

Financial regulators are well aware of its consequences and are keen to prevent such catastrophic events in the future. (Page 19)

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EDITORIAL

Travelling under the new COVID-19 era

By Savvas Savvides, Partner at Michael Kyprianou & Co. LLC



michaelkyprianou
— Advocates - Legal Consultants

With the pandemic still ongoing and economic costs escalating significantly, governments are increasingly under pressure to design an appropriate strategy to phase out the restrictive measures imposed to stop the spread of the Coronavirus pandemic. At a European level, most Member States have already begun or announced their intention to phase out these measures.

At the same time, Cyprus is ready to accept British tourists, who have had both shots of the vaccine as from 1st May 2021, without needing a negative test or to quarantine, as per the announcement of the Deputy Minister of Tourism, Mr Savvas Perdios. “Tourists would be required to have had their second dose at least seven days before travelling”, the Minister added.

On the other hand, the Prime Minister of the UK has forbidden any travelling abroad of UK nationals until 17th May 2021 unless there are specific reasons for a person to travel, for which he will be granted special permission to do so.

Based on the Foreign, Commonwealth & Development Office (FCDO), UK nationals are allowed to travel abroad under specific reasonable circumstances which include various categories such as work, owning property, getting married, charity work and several others which we will outline below.

For the purposes of work, if it is not reasonably possible for that person to work from a location within the United Kingdom or to provide voluntary or charitable services, where it is not reasonably possible for those services to be provided from a location within the United Kingdom, then that person may be granted permission to travel.

Permission to travel can also be granted in cases where a person needs to fulfil a legal obligation or to participate in legal proceedings, or if someone is a professional athlete or is a student who needs to return home for the university vacations.

Taking a closer and more detailed look at the FCDO announcement, we can say that UK nationals who are currently living in Cyprus, who own property or are thinking of purchasing property in Cyprus, or have family members in the country, could benefit from these special requirements.

In cases where UK nationals either own or rent residential properties, or intend to do so, they would be allowed to fly in order to undertake any of the following activities in connection with the purchase, sale, letting or rental of their residential property by:

- (a) visiting estate or letting agents, developer sales offices or show homes;
- (b) viewing residential properties to look for a property to buy or to rent;
- (c) preparing the residential property to move in;
- (d) moving house;
- (e) visiting the residential property to undertake any activities required for the rental or sale of that property.

At the same time though, many British nationals have family members living in Cyprus and are in need of assistance. As stated in the Regulations of the FCDO, UK nationals may travel to Cyprus, in case they are needed by a family member who is, for instance, hospitalized or in a hospice or care home, or to accompany them to a medical appointment, or to provide care and assistance to a vulnerable person, if that person is a close family member.

On the other hand, Cyprus has always been cherished as a place for UK nationals to have their wedding or civil ceremony, in which case it is considered reasonable to leave the United Kingdom to attend a wedding or a civil partnership ceremony in Cyprus where that person is the one getting married or becoming a civil partner, or a close family member of one of the persons getting married or becoming a civil partner, and/or one or both of the persons getting married or becoming civil partners live outside the United Kingdom.

Addressing the issue of children whose parents are divorced and for the purposes of maintaining the communication between the parent and the child, if the child does not live in the same country as their parents or one of their parents, permission to travel from the UK to Cyprus may be granted.

Moreover, if a person needs to vote in an election or a referendum involving Cyprus, which could take place in a state outside the United Kingdom, or where it is not possible to cast a vote within the UK, then that person may be granted permission to travel.

If a citizen is living in the United Kingdom on a temporary basis, and is not considered a resident in the United Kingdom, then permission to travel to Cyprus is likely to be granted.

It is a fact that until everyone has the opportunity to be vaccinated, travelling abroad remains a risk not only for the person who is travelling but also for the country which is accepting that person.

At the same time, we cannot ignore the fact that Cyprus has become the second home for many UK nationals who have strong bonds with the country and its people, and many of their family members are permanent residents. It is worth looking at the various options offered to UK nationals who wish to return or travel to Cyprus any time soon, taking the above prerequisites into consideration.

*The content of this article is valid as at the date of its first publication. It is intended to provide a general guide to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on your specific matter before acting on any information provided. For further information or advice, please contact **Mr Savvas Savvides, Partner and Director of the Paphos Office, at Telephone +357 26830900 or via Email: Savvas.Savvides@kyprianou.com***

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Cyprus and United Kingdom: The promising Lands? – Services and Opportunities

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The 6th International Webinar is organised by the
Great Britain-Cyprus Business Association

London 20 April 2021

Time: 2.00 p.m. – 4.00 p.m. UK Time / 4.00 p.m. – 6.00 p.m. Cyprus Time

Visit www.gbcy.business/webinar and REGISTER to ATTEND

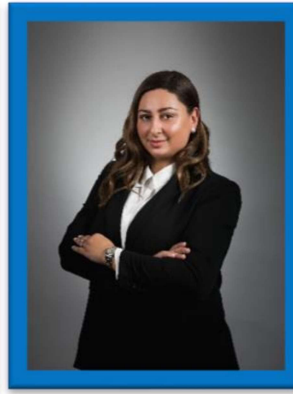
Speakers



Natasa Pilides
Minister of Energy, Commerce
and Industry



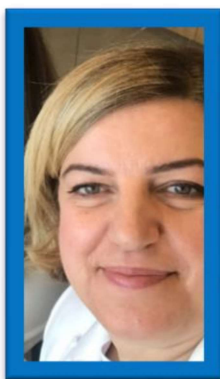
Dr George Mountis
Managing Partner
Delfi Partners & Company



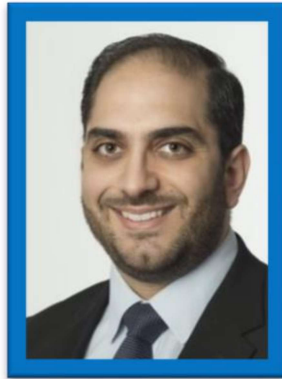
Andrea Kallis Parparinou
Partner
Elias Neocleous & Co. LLC



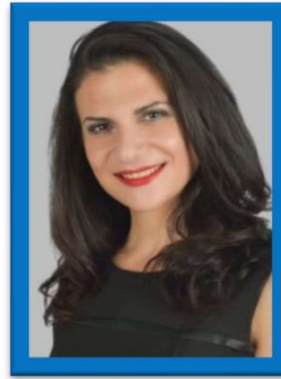
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Alex Chrysaphiades
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Xenia Neophytou
Director
CX Financia Ltd



Nik Shah
Tax Partner
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Upcoming 6th International Webinar

Agenda (UK Time):

14:00: Introduction

By Savvas Kyriakides, Founder & President of Great Britain-Cyprus Business Association

14:05: “Welcome Speech”

Speaker: Natasa Pilides, Minister of Energy, Commerce and Industry of the Republic of Cyprus

14:15: “Real Estate Investment Opportunities in Cyprus & UK”

Speaker: Dr George Mountis, Managing Partner, Delfi Partners & Company

14:30: ‘Cyprus – Great Britain business relations post Brexit: Divorce or long-distance relationship?’

Speaker: Andrea Kallis, Partner at Elias Neocleous & Co. LLC

14:45: “Overview of Cyprus Banking - Efficiency in a stricter regulatory environment”

Speaker: Michalis Michael, Head of International Banking Unit (IBU), AstroBank

15:00: “Banking Service UK & General information about UK Companies”

Speaker: Stella Zenios, Exsus Croup, Executive Director, Exsus International Ltd (Part of the Exsus Group)

15:10: “An overview of the requirements for UK companies, both in terms of corporate and tax requirements in the UK”

Speakers: Nik Shah – Tax Partner

Alex Chrysaphiades – Audit & Accounts Partner

15:20: “Cyprus Financial Services Industry and Post-Brexit Implications and Opportunities”

Speaker: Xenia Neophytou, Director at C.X. Financia Ltd

15:30 – 16:00 Q & A Time:

The last half an hour has been provided to attendees to raise their questions to the speakers.

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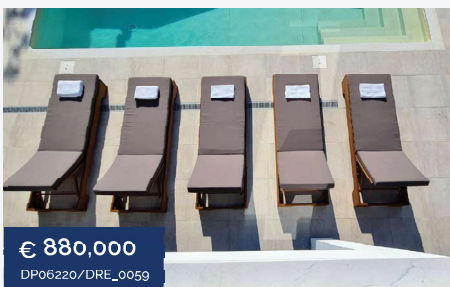
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Building Floors
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Parking Spaces
 5

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Internal Area
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Bathrooms
 1

Bedrooms
 1

Parking Spaces
 -

Neoclassical House, Kifissia

Internal Area
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Bathrooms
 3

Bedrooms
 6

Parking Spaces
 1

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Two-Bedroom Apartment, Ampelokipoi

Internal Area
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Bathrooms
 1

Bedrooms
 2

Parking Spaces
 -

€ 185,000

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England's lockdown to ease as planned on 12 April



Pubs and restaurants can reopen outdoor spaces as planned next Monday, along with non-essential shops, gyms and hairdressers, as England's lockdown is further eased, Boris Johnson has said.

But the prime minister urged caution, saying: "We can't be complacent."

At a briefing Mr Johnson also said officials are considering the potential role of Covid status certificates.

Pilot events will take place from mid-April to trial the system, with later events checking vaccinations.

Speaking in Downing Street, Mr Johnson stressed that Covid certification would not be required for when people "go to the shops or to the pub garden or to the hairdressers or whatever" from 12 April, and was not planned for the next stage of lockdown easing on 17 May.

But he said: "The idea of vaccination status being useful for international travel is something that all countries are looking at. I do think that's going to be part of the way people deal with it and we need to think about that."

Meanwhile, the government has published an update on a series of reviews into Covid certificates, the safe return of mass events, international travel and social distancing rules.

In the document, the government advises people not to book summer holidays abroad "until the picture is clearer".

Other changes to the stage two easing of England's lockdown from 12 April include:

- Hospitality venues can serve food and alcohol to customers sitting outdoors, with no curfew.

- Spas can reopen, as can zoos, theme parks, drive-in cinemas and drive-in performances events.
- Members of the same household can take a holiday in England in self-contained accommodation.
- Public buildings such as libraries and community centres will also reopen.
- And other close-contact services such as beauty and nail salons can reopen.
- Weddings attended by up to 15 people can take place.
- The number of care home visitors will also increase to two per resident.

Mr Johnson said the 12 April changes could go ahead due to "our collective efforts" and were "fully justified by the data which show that we're meeting our four tests for easing the lockdown".

He also said there was nothing in the present data to suggest the government would have to "deviate" from its planned roadmap out of lockdown.

"We've set out our roadmap and we're sticking to it," the prime minister said.

But he added: "We can't be complacent, we can see the waves of sickness afflicting other countries and we've seen how this story goes."

He also encouraged people to use free NHS tests "even if you don't feel ill" as part of a drive to identify cases without symptoms.

It comes as everyone in England is to be given access to [two rapid coronavirus tests a week from Friday](#), under an extension of the government's testing programme.

The lateral flow kits, which can provide results in around 30 minutes, will be available for free at testing sites, pharmacies and through the post.

International travel rules remain uncertain

The expectation was that cautious opening up would begin as planned on 17 May, as originally mooted.

International leisure travel is still banned from the UK – and the prime minister has said he cannot guarantee that overseas holidays will open up from 17 May, as originally mooted.

The government says it hopes people will be able to travel to and from the UK to take a summer holiday this year, "but it is still too soon to know what is possible".

Ministers advise people "not to book summer holidays abroad until the picture is clearer".

With just six weeks remaining before the hoped-for resumption of foreign travel, this has come as a shock.

But the government has confirmed that a "traffic light" system will be used to indicate risk and consequent arrival protocols.

The prime minister said the government wants to see a return to non-essential international travel as soon as possible, while still managing the risk from imported cases and variants of concern.



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PERMANENT RESIDENCE PERMIT:

New investment criteria



The main differentiation that has taken place through the third revision is that they will now be able to obtain a permanent residence permit and those third-country nationals who invest in real estate in Cyprus (total value of at least 300 thousand euros), excluding houses and apartments, which will also involve resales. Until now, investment in the form of properties such as offices, shops, hotels or similar development should be for the first sale.

It is worth noting that as far as residences are concerned, for the purposes of implementing this policy, purchase documents relating to resales will also be accepted, provided, however, that such resales were made before 07/05/2013 and the purchase documents were deposited in the Land Registry before that date.

In detail, the revised plan includes:

1 LEGAL BACKGROUND

1.1 Pursuant to the provisions of Regulation 6(2) of the Immigration and Immigration Regulations, the Minister of the Interior has decided, after informing the Council of Ministers, to issue an Immigration Permit to applicants for third-country nationals in cases of investments which meet the conditions of this policy.

1.2 The applicant must meet one of the investment criteria set out in Paragraph 2.1, as well as the quality criteria set out in Paragraph 3 below. It is understood that the money to be used for the investment should demonstrably come from abroad.

2 INVESTMENT CRITERIA

2.1 The applicant should make an investment of at least €300,000 in one of the following categories of investments:

(A) Investment in a house/apartment: Purchase of a house or apartment by a land development company, which should relate to a first sale of at least €300,000 (plus VAT).

(B) Investment in real estate (excluding houses/apartments): Purchase of other forms of real estate such as offices, shops, hotels or similar developments or a combination thereof with a total value of €300,000. Such properties may also relate to resales.

(C) Investment in the share capital of a Cyprus Company with activities and staff in Cyprus: Investment worth €300,000 in the share capital of a company registered in the Republic of Cyprus, which is based and operates in the Republic of Cyprus and has a proven physical presence in Cyprus and employs at least five (5) people.

(D) Investment in units of a Cyprus Collective Investment Organisation (type AIF, AIFLNP, RAIF): Investment worth €300,000 in units of a Cyprus Collective Investment Organisation.

It is understood that any alienation of the holder of the Immigration License from the investment he has made without its immediate replacement with another of the same or greater value, which must meet the conditions set out in this proceeding, will entail activation of the process of annulment of the Permit under the provisions of Regulation 6 of the Immigration and Immigration Regulations.

2.2 The applicant should, in addition to the investment under Section 2.1 above, be able to demonstrate that he has at his disposal an insured annual income of at least €30,000. The annual income is increased by €5,000 for each dependent family member and €8,000 for each dependent parent (the same and/or spouse). This income may come from wages for work, pensions, share dividends, permanent deposits, rents, etc. from abroad in cases where the applicant chooses to invest as Paragraph 2.1. (A). The calculation of the total income may also take into account the income of the applicant's wife.

In cases where the applicant chooses to invest as Paragraphs 2.1. (B), 2.1. (C) or 2.1. (D), his or her total income or part of it may also be derived from sources from activities within the Republic.

3 QUALITY CRITERIA

3.1 The applicant and his wife must submit a white criminal record certificate from their country of residence or from the Republic if they reside in Cyprus and generally do not pose any threat to public policy or public security.

3.2 The applicant and his wife shall certify that they do not intend to work in the Republic with the exception of their employment as Directors in a Company in which they have chosen to invest under this policy.

3.3 Where the investment does not relate to the share capital of a Company, the applicant and/or his wife may be shareholders in Companies registered in Cyprus and the income from dividends in such companies may not be considered as an impediment for the purpose of obtaining the Immigration License. They may also hold the position of Director in such companies without pay.

3.4 Where the applicant chooses to invest as Paragraphs 2.1. (B), 2.1. (C) or 2.1. (D), he should present information on his place of residence in the Republic (e.g. title to property ownership, purchase document, rental document).

4 LEGAL DATA

4.1 Investment in a house/apartment or other immovable property:

The applicant submits at his request a title of property or a purchase document in the name of his and/or his wife filed with the Department of Lands and Surveys for residence or other building with a market value of at least €300,000 (plus VAT if applicable) and official receipts for the payment of an amount of at least €200,000 (excluding VAT), regardless of the date of delivery of the property.

It is understood that at the time of submission of the application, evidence should be provided that the investment money has come from abroad and is not the product of internal borrowing (transfers, receipts of payment by card abroad, bank certificate) which should be linked to the corresponding investments. The balance of the value of the investment should be paid into the seller's account at a financial institution in Cyprus.

It should be noted that the purchase of immovable property will be accepted even when it is made by a legal person to whom the applicant and/or his wife are the sole shareholders or final beneficiaries and who is legally established in the Republic or in another Member State of the European Union or the European Economic Area.

For the purposes of applying Paragraph 2 in relation to the purchase of a house/apartment, it is specified that:

(a) The applicant may purchase up to two (2) units of residence (apartments or dwellings), if the total market value complies with the provisions of Paragraph 4.1 above. In the case of a couple, the above condition applies in total to the couple.

(b) This purchase must relate to dwellings sold by the development company to a first-time buyer, unless the purchase of the dwellings took place before 07/05/2013. Purchase documents relating to resales of dwellings and deposited in the Land Registry before 07/05/2013 (the date of filing of the purchase documents will be confirmed by the Department of Lands and Surveys), will be accepted for the purposes of implementing this policy.

It is noted that the properties do not have to be purchased by the same land development company.

4.2 Investment in the share capital of a Cyprus Company with business activities and staff in Cyprus:

For the purposes of implementing this policy, the applicant shall require a total investment of €300,000, the physical presence of the company in the Republic and the employment of at least five (5) employees. In this case, the following documents should be presented:

- Share purchase agreement
- Shareholder Certificate and Certificate of Company Formation from the Registrar of Companies and Official Receiver
- Business profile of the company including business objectives etc.
- Proof of payment (e.g. bank transfer)
- Evidence of the employment of employees from the Department of Social Insurance.

4.3 Investment in units of the Cyprus Collective Investment Organisation (type AIF, AIFLNP, RAIF):

For the purposes of implementing this policy, the applicant shall require a total investment of €300,000 in investment units and the production of the following documents:

- Securities or other confirmation for units purchased
- Proof of payment (e.g. bank transfer)
- Confirmation by the Securities and Exchange Commission of the establishment of the Fund
- Memorandum of understanding of the Fund or the Investment Plan.

5 EXPENDITURE REQUIREMENTS

5.1 The Immigration License is issued to the applicant. This includes the dependants of the applicant who is the wife and their minor children up to the age of 18.

If they so wish, two separate Immigration Licenses may be issued to each of the parties of the couple without the obligation and the latter meets the above criteria, provided that a separate application is submitted and the corresponding fee is paid.

Provided that in the event that the Immigration License granted to the investor is cancelled for any reason, it will entail activation of the process of cancellation of the License for the other part of the

couple, in accordance with the provisions of Regulation 6 of the Immigration and Immigration Regulations.

5.2 Unmarried children between the ages of 18 and 25, only when they are proven to be higher education students abroad at the date of application and who are financially dependent on the applicant, can submit their own separate application for an Immigration License upon submission of the appropriate fee. In such a case the father or mother and/or both parents together should present an additional annual income of €5,000 for each such dependent child.

If the children are students in Higher and Higher Education Institutions of the Republic they must apply for a temporary residence permit in the Republic as students under the relevant legislation (EU Directive). Upon completion of their studies in Cyprus they will be able to apply for their own Immigration License, as mentioned above with the payment of the appropriate fee, regardless of their age, provided only that the parents will present an additional annual income of €5,000.

This License will continue to apply after the age of 25 even if the child is not still unmarried and/or a student and/or financially dependent on his parents. It is understood that the spouse and their minor children may not be included as dependent persons in this License. It is also understood that if the Immigration License granted to the investor/parent is cancelled for any reason, it will entail activation of the process of cancellation of the License for this child, based on the provisions of Regulation 6 of the Immigration and Immigration Regulations.

5.3 Immigration authorisation may also be granted to the parents of the applicant and his wife, by submitting separate applications for each person and paying the corresponding fee, provided only that the applicant will present an additional annual income of €8,000 for each dependent parent. It is understood that their spouse and minor children may not be included as dependent persons in this License. It is also understood that if the Immigration License granted to the investor/child is cancelled for any reason, it will entail activation of the process of cancellation of the License for these parents, based on the provisions of Regulation 6 of the Immigration and Immigration Regulations.

6 HIGHEST VALUE INVESTMENT FOR INCLUDING INTERNATIONAL TECHNICALS

An immigration permit may also be granted to adult children of an applicant who is not financially dependent on the provision that a higher value investment is made, on the basis of the provisions of Paragraph 2, as set out below:

The market value of the investment of €300,000 should be multiplied according to the number of adult children, who will rely on the same investment for the purpose of obtaining an Immigration License. For example, if the applicant has an adult child he will have to make an investment worth €600,000, if he has two adult children the value of the investment should be €900,000 and so on.

In the event that the investment relates to the real estate market, i.e. where the applicant chooses to invest as Paragraphs 2.1. (A) and 2.1. (B), a certificate of payment of at least 66% of the market value of the properties should be submitted together with the application.

It is understood that, in such a case, each adult child will be able to prove that he has at his disposal an insured annual income of at least €30,000, which will be increased by €5,000 for each dependent person, as the provisions of Paragraph 2.2. In addition, it is noted that the investment can be made jointly in the name of the applicant and the adult child or exclusively in the name of the applicant.

7 PROCEDURE FOR REQUIREMENT AND EXAMINATION

Applications, together with the required accompanying documents, will be submitted to the Department of Population and Migration Records (TPM) personally or through a representative (regarding 22308676 and 22308633). A fee of €500 is paid when the application is submitted.

In the case of an application by means of a representative, it should be accompanied by written authorisation from the applicant indicating the full details of the representative and his address and contact numbers.

The application will be processed expedited by the TPM and submitted to the Minister of the Interior, through the Director-General of the Ministry of the Interior (SERVICE).

8 TIMELINES

If all the criteria of this policy are met and if there are no grounds relating either to the applicant's criminal record or to reasons of public policy and public security, the application will be forwarded for examination and decision by the Minister of the Interior.

It is estimated that the period of examination of the application from the date of submission of the completed application will be around two (2) months.

9 OTHER INFORMATION

Persons granted an Immigration Licence must obtain permanent residence in the Republic within one (1) year from the date of approval of the application submitted, and their family members must not remain outside the Republic for a period of two (2) years. Otherwise the Immigration License ceases to be valid under Regulation 6(3) and/or may be cancelled under Regulation 6(4).

10 REQUIREMENTS

The forms are available online on the website of the Department of Population and Migration Archive and are as follows:

- Application Form (MIP1)
- List of documents submitted together with the application
- List of documents submitted together with the application for children who are students abroad
- List of documents submitted together with the application for applicant parents
- Responsible Statement on the applicant's annual income,
- Responsible Statement for the attestation of the non-employment of the applicant and his/her spouse in Cyprus with the exception of their employment as Directors in a Company in which they have chosen to invest under this policy.

Contact

Officer responsible: Mrs Panagiota Nathanael - Administrative Officer OF TAMM

E-mail: pnathanael@crmd.moi.gov.cy

Phone Number: 22308623

Fax: 22308751



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CySEC strengthening trust in financial markets

Of all the lessons provided by financial crises, none is more profound than the loss of trust. Financial regulators are well aware of its consequences and are keen to prevent such catastrophic events in the future.



Although a number of events can trigger a crisis, none are more severe and contagious than the erosion of capital. But as financial markets evolve, so do risks.

Economists have no better antidote than capital injection.

And ceteris paribus, the higher the risk, the higher the capital required to address it.

The Cyprus Securities and Exchange Commission (CySEC) is on constant patrol of the market; its Chairperson Demetra Kalogerou reminded everyone that a new regulation effective on July 26 calls for financial services companies to inject more capital.

According to Andreas Andreou, the former Vice Chairman of CySEC, and a lawyer by profession, “this new framework, including the need of higher initial capital, is a very positive development since it applies in practice the principle that capital resources should be a function of risk.

“All good risk management frameworks are embedding this principle as the most basic building block.

“It aligns regulatory capital with economic capital used by management, risk committees but also the board of directors, setting risk appetite, cascading down, drives the risk setting of limits for capital.”

Andreou believes that strong regulation helps and expand with new products and players, which has been the strategy for CySEC over the past decade.

It proved successful.

According to Kalogerou, CySEC continues to grow despite the pandemic.

Specifically, in 2020, the Commission continued to examine applications for the licensing of new regulated entities without any interruption.

A total of 88 entities were approved, 69 of which are active in collective investments, 14 in the provision of investment services and 5 in providing administrative services.

Currently, CySEC has 779 entities under its supervision, a number that is up by 4.42% compared to 2019, during which it supervised 746 entities.

One of the principal objectives of CySEC is to beef up capital requirements for companies exposed to risk stemming not just from operations but also from potential mismanagement.

Despite constant oversight carried out by CySEC based on risk, capital injection is a more passive and traditional measure undertaken by financial regulators worldwide, enabling market participants to minimise potential losses if such a scenario arises.

Changes to market risk rules and capital increases are part of a broader European strategy dictated by ESMA, the European Securities and Markets Authority.

A report published last year titled “A new vision for Europe’s Capital Markets” outlines in great detail this strategy and prepares everyone for the inevitable changes that financial evolution will likely bring about.

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Nicosia welcomes S&P's affirmation of Cyprus' "BBB-" credit rating



On 6th March, Finance Minister Constantinos Petrides welcomed the affirmation by Standard & Poor's international credit agency of Cyprus' credit rating to "BBB-". It also confirmed the island's economic stable outlook.

"Standard & Poor's (on Friday) confirmed the credit rating of the Republic of Cyprus on the basis of prudent public debt management policy, the strong cash reserves of the State reducing the short-term refinancing risk and the continued pan-European fiscal and monetary support," he said in a written statement.

"The international credit agency also notes that the stable outlook reflects the view that the risks associated with credit rating are generally balanced, despite the pandemic-induced economic downturn," he added.

According to S&P, measures to contain the spread of COVID-19 and the sudden stop of tourist flows pushed Cyprus' economy into a recession in 2020, resulting in a sizable fiscal fallout, with gross government debt reaching a high 119% of GDP.

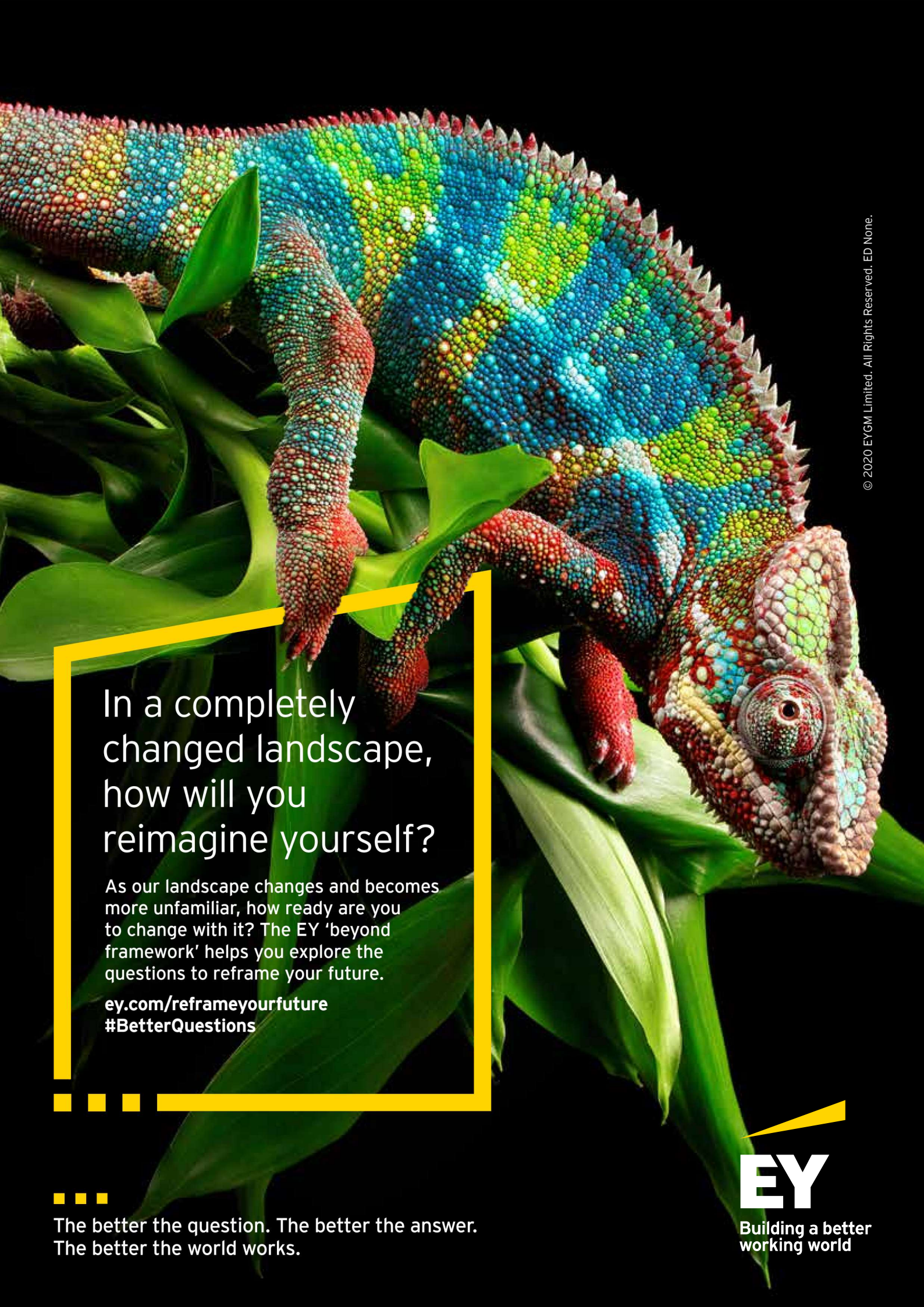
The credit rating agency expects that the COVID-19 pandemic will continue to cloud economic and fiscal outlooks this year amid only partial recovery of the tourism sector.

However, an improved government debt profile, large government cash buffers, and continued pan-European fiscal and monetary support should mitigate these risks.

S&P also noted that the stable outlook balances risks from the pandemic's protracted adverse impact on growth, fiscal, and banking sector performance against benefits of the EU's Recovery and Resilience Facility (RRF) transfers, as well as further improvement in the government's debt profile.

In its "upside scenario" the rating agency says it could raise the sovereign ratings on Cyprus on the back of solid economic growth and improved budgetary performance underpinning a clearly discernible decline in one of the highest stocks of public debt in the region.

In the "downside scenario" ratings downside could emerge if budgetary performance in the coming years is markedly below S&P's current expectations, threatening the pace of general government debt reduction, or if economic growth prospects unexpectedly deteriorate.



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Building a better working world

Epidemiological risk assessment of countries concerning COVID-19, dated 5/4/2021



ΥΠΟΥΡΓΕΙΟ ΥΓΕΙΑΣ

Following a [decision of the Council of Ministers](#), on 18 February 2021, regarding the Action Plan for the gradual resumption of flights and the re-opening of airports, the Epidemiological Monitoring Unit of the Ministry of Health has made a re-evaluation of the epidemiological situation in various countries as regards COVID-19.

The categorization for the countries of the European Union and the European Economic Area (Iceland, Liechtenstein, Norway) as well as Switzerland in the **Green, Orange** or **Red** Categories, is based upon that of the [European Centre for Disease Prevention and Control](#) (ECDC).

With regard to third countries (United Kingdom, Russia, Ukraine, Israel, Lebanon, United Arab Emirates, Jordan, Saudi Arabia, Egypt, Belarus, Qatar, Serbia, United States of America, Armenia, Georgia, Bahrain) as well as those countries included in the [updated list](#) of the European Council Recommendation 2021/89 for the gradual lifting of temporary restrictions for non-essential travel within the EU, these are evaluated epidemiologically by the Ministry of Health and are categorized into the Green, Orange and Red categories.

The following categorization of countries, based on the epidemiological risk assessment, **is extremely dynamic and may be modified at any moment** as the pandemic evolves and the epidemiological data changes. For this reason, new data will be announced and the list of countries will be updated frequently.

Green Category countries – Low risk countries at current stage

- Third countries: 1) Australia, 2) New Zealand, 3) Singapore, 4) Saudi Arabia, 5) South Korea, 6) Thailand

It is noted that **passengers coming from the Green Category countries are not required to hold a COVID-19 test certificate or self-isolate.**

Orange Category countries - Countries with possibly low risk but greater uncertainty compared to the Green Category

- European Union member states: 1) Portugal, 2) Denmark
- Schengen members: 1) Iceland
- Third countries: 1) China (including Hong Kong and Macau), 2) Israel

It is noted that passengers coming from Orange Category countries **shall be required to undergo a PCR laboratory test within 72 hours prior to departure and to possess a certificate showing a negative PCR result.**

It is also clarified that passengers from Orange Category countries, falling into the following categories, **may undergo the molecular examination upon arrival in the Republic:**

1. Cypriot citizens and family members (alien spouses and their underage children),
2. Persons legally residing in the Republic,
3. Persons entitled to enter the Republic under the Vienna Convention,
4. Persons, irrespective of nationality, whose countries of residence (Orange category) do not provide a laboratory testing service, upon substantiation and following an announcement by the Ministry of Health of the Republic of Cyprus.

It is noted that the **examination cost will be borne by themselves** and in addition, such persons **shall remain in self-isolation until the test result is issued.**

Red Category countries – Increased risk countries compared to the Green and Orange Categories:

- European Union member states: 1) Austria, 2) Belgium, 3) Bulgaria, 4) France, 5) Croatia, 6) Luxembourg, 7) Romania, 8) Spain, 9) Italy, 10) Greece, 11) Malta, 12) Netherlands, 13) Hungary, 14) Poland, 15) Finland, 16) Slovakia, 17) Slovenia, 18) Czech Republic, 19) Estonia, 20) Latvia, 21) Lithuania, 22) Sweden, 23) Germany, 24) Ireland
 - Small states: 1) Andorra, 2) Monaco, 3) Vatican City, 4) San Marino
 - Schengen members: 1) Switzerland, 2) Liechtenstein, 3) Norway
 - Third countries: 1) United Kingdom, 2) Rwanda, 3) Russia, 4) United Arab Emirates, 5) Ukraine, 6) Jordan, 7) Lebanon, 8) Egypt, 9) Belarus, 10) Qatar, 11) Serbia, 12) United States of America, 13) Armenia, 14) Georgia, 15) Bahrein

It is noted that passengers coming from Red Category countries **shall be required to: a) undergo a PCR laboratory test within 72 hours prior to departure proving a negative PCR result and b) undergo a laboratory test upon their arrival in the Republic of Cyprus.**

The **examination cost will be borne by themselves** and in addition, such persons **should remain in self-isolation until the test result is issued.**

The following categories of passengers may enter the Republic of Cyprus from Red Category countries, after having undergone, at their own expense, a laboratory test only upon their arrival in the Republic of Cyprus:

1. Cypriot citizens and family members (alien spouses and their underage children),
2. Persons legally residing in the Republic,
3. Persons entitled to enter the Republic under the Vienna Convention.

In such case, persons falling within the categories 1-3 above must **remain in mandatory self-isolation for 72 hours upon arrival and after the end of the 72-hour period they must undergo another PCR test**, at their own expense. If the repeat test is negative, they can then terminate their isolation. The test result must be sent to the following email address: monada@mphs.moh.gov.cy.

Grey Category countries (Special Permission):

Countries that are not mentioned in the aforementioned categories (green, orange and red) are considered to belong in the Grey Category (Special Permission). For the Grey Category countries, entry into the Republic of Cyprus **is only allowed for the following categories of passengers:**

1. Cypriot citizens and family members (alien spouses and their underage children),
2. European citizens and citizens of European Economic Area countries (Iceland, Liechtenstein, Norway) and Switzerland,
3. Persons legally residing in the Republic,
4. Persons entitled to enter the Republic under the Vienna Convention,
5. Third country nationals who are allowed to enter the Republic of Cyprus following a special permission from the Republic, as this is defined in the [Quarantine Decree \(N.9\) of 2021](#), as this is modified each time.

It is noted that passengers coming from countries of this Category shall be required to undergo a laboratory test at a certified lab **within 72 hours prior to departure** and to possess a certificate showing a negative PCR result. **Excluding category number 2 above, the rest of the passengers may undergo the laboratory test upon their arrival** in the Republic of Cyprus, at their own expense.

Passengers arriving in the Republic of Cyprus from the Grey Category countries (Special Permission) shall remain in **mandatory self-isolation or mandatory quarantine for a period of 14 days** or alternatively, **in mandatory self-isolation or mandatory quarantine for a period of 10 days provided that they undergo another Covid-19 test (at their own expense) on the 10th day** and the result comes back negative. The test result must be sent to the following email address: monada@mphs.moh.gov.cy.

It is underlined that **all passengers, regardless of country category, shall be obliged to submit an application for the [CyprusFlightPass](#)** within 24 hours prior to their departure flight. Moreover, in order to insure public health and the monitoring of the epidemiological situation, a sample molecular laboratory testing of passengers on selected arriving flights will be carried out.

It is noted that the above categorization of countries **shall take effect on 8 April 2021**.



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DUBAI

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 - RAKICC
 - Mainland
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- Discussion and Agreement of Tax Affairs with Tax Authorities
- Payroll Services



TEL AVIV

- Company Formation
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- Legal
- Trusts
- Accounting
- Property Acquisitions
- Investments
- Project Management



NEW YORK

- Company Formation
- Tax Advisory & Compliance Services
- Legal
- Trusts
- Accounting
- Property Acquisitions
- Investments
- Project Management

City of Dreams casino gets top sustainability rating

Melco Cyprus, operator of the upcoming integrated resort (IR) City of Dreams Mediterranean, said the casino had been awarded a BREEAM Excellent rating for its sustainability strategy.



Achieving a score of 80.4% at the design stage, the IR is Cyprus' first development to achieve a BREEAM Excellent rating.

The accolade recognises City of Dreams Mediterranean's incorporation of the highest design sustainability standards and integration into its natural environment.

BREEAM is the world's leading sustainability assessment method for master planning projects, infrastructure, and buildings.

It rates an asset's environmental, social and economic sustainability performance.

Set to become Cyprus' first IR and the largest in Europe, City of Dreams is built following the highest sustainability standards, from materials used, its high-tech water reuse system to the energy-saving optimisation of the building's orientation and shading.

Native plant species mirror the character of the environment and support the landscape's ecology.

To incorporate the IR into its surrounding landscape, it will encompass over 130,000 newly planted trees and indigenous plants, creating a holiday oasis for guests and reducing carbon emissions.

Property General Manager of City of Dreams Grant Johnson said, "We are thrilled to achieve this significant recognition and especially pleased to be the first project in Cyprus to obtain the honour.

"We are committed to incorporating the highest sustainability standards into City of Dreams Mediterranean and are confident that a development of this nature can set a shining example for the region and the tourism sector once open in Summer 2022.

"Creating a luxury experience for guests that is also responsible to the local community has always been central to our philosophy.

"Melco maintains a pioneering approach across all developments, promoting sustainability through the entirety of its operations, from the construction of its properties to its Corporate Social Responsibility (CSR) initiatives".

Melco's sustainability and CSR strategy commit it to achieve a series of goals, including carbon neutrality and zero waste across its resorts by 2030.

Among the Company's global initiatives are eliminating food waste and single-use plastics in daily operations and recycling general waste through onsite compactors.

A world-class development and a landmark for Cyprus and the wider region set to open in Summer 2022, City of Dreams Mediterranean is expected to attract an additional 300,000 tourists per year, contributing to counter seasonality, a major challenge for the tourism industry, and establishing the island as a year-round destination.



The Great Britain – Cyprus Business Association would like to welcome the 3 new members, joined the association last month, MARCH 2021.

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"Unity is strength... when there is teamwork and collaboration, wonderful things can be achieved." Mattie Stepanek (Poet)

Foreign Trade Statistics, December 2020 (final data) and January 2021 (provisional data)

The Statistical Service of Cyprus announces the release of final data on the foreign trade of Cyprus for December 2020 and of provisional data for January 2021.

ForeignTradeStatistics, December 2020

The main developments in the foreign trade of Cyprus in December 2020 were:

(a) **Total imports** of goods (from EU Member States and from third countries) amounted to €678,4 mn in December 2020 as compared to €689,8 mn in December 2019, recording a decrease of 1,7%.

(b) **Exports of domestically produced products**, including stores and provisions, in December 2020 were €106,9 mn as compared to €92,7 mn in December 2019, recording an increase of 15,3%. **Domestic exports of industrial products** in December 2020 were €98,9 mn compared to €83,7 mn in December 2019, whilst **domestic exports of agricultural products** in December 2020 were €6,1 mn compared to €6,6 mn in December 2019.

(c) **Exports of foreign products**, including stores and provisions, in December 2020 were €84,1 mn as compared to €160,0 mn in December 2019, recording a decrease of 47,4%.

The data are included in the monthly electronic publication “Intra & Extra EU Trade Statistics (Summarised Data)” for December 2020, which is available free of charge from the website of the Statistical Service, under the section “Publications” in the statistical theme Foreign Trade.

ForeignTradeStatistics, January 2021

On the basis of provisional data, the main developments in the foreign trade of Cyprus in January 2021 can be summarized as follows:

(a) **Total imports** of goods were €568,4 mn as compared to €700,3 mn in January 2020, recording a decrease of 18,8%. Imports from other EU Member States in January 2021 were €345,6 mn and from third countries €222,8 mn, compared to €425,5 mn and €274,8 mn respectively in January 2020. Imports in January 2021 include the transfer of economic ownership of mobile transport equipment (vessels), with total value of €100,5 mn as compared to €113,6 mn in January 2020.

(b) **Total exports** of goods in January 2021 were €155,3 mn as compared to €220,6 mn in January 2020, recording a decrease of 29,6%. Exports to other EU Member States in January 2021 were €63,5 mn and to third countries €91,7 mn, compared to €73,5 mn and €147,1 mn respectively in January 2020. Exports in January 2021 include the transfer of economic ownership of mobile transport equipment (vessels and aircrafts), with total value of €35,7 mn as compared to €44,2 mn in January 2020.

(c) **The trade deficit** was €413,1 mn in January 2021 compared to €479,8 mn in January 2020.



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Stamp duty rate: extra tax on foreigners buying homes 'could backfire' on London, warn property advisers

Foreign buyers of property worth more than £1.5m will be subject to a record 17 per cent tax rate from next month.



Britain's highest property [stamp duty](#) rate will deter investment in London at a time when it needs to "sell" itself more than ever as a post-Brexit global city, property advisers warned today.

Chancellor [Rishi Sunak](#) disclosed on Budget Day that a two per cent surcharge will be added to the tax burden for foreigners buying a home in Britain.

For investment or second home properties worth more than £1.5 million that takes the top rate up to a record 17 per cent from April 1. It is the first time a [property tax](#) has singled out overseas buyers and is one of the world's highest marginal rates on property transactions.

The extra tax rate was first mooted in the 2018 Budget in response to concerns that wealthy "buy-to-leave" foreigners were snapping swathes of the capital's most desirable areas leading to deserted "lights out London" areas. Tom Moran, a partner at law firm Charles Russell Speechlys, said the additional burden could make the difference between a wealthy investor buying in London or New York or Paris.

He said: "We should be mindful of making the UK property market less attractive to foreign money, not just in terms of the primary investment in the asset class, but also the secondary spending on construction, renovation, interior design and 'lifestyle spending'."

Chris Dietz of Leading Real Estate Companies of the World said: "The Budget was a missed opportunity to scrap the tax and reignite international interest in London as a global hub."

The "foreigner tax" will mean the bill for a £10 million home will rise by £215,000 from £1,398,750, a rate of 14 per cent, to £1,613,750, or 16.1 per cent once the stamp duty holiday expires at the end of June.



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Constantinos Palmyris: In light of these unprecedented times, I would like to remind our readers of the importance of protecting one's family and business, both physically and financially.

A short interview with:

Constantinos Palmyris, Director at Palmyri Insurance Agents & Consultants Ltd



1. Constantinos, please tell us a few words about yourself, your background, and your studies.

First, I would like to say a big thank you to the Great Britain – Cyprus Association, and especially to Mr. Savvas Kyriakides, for taking the initiative of bringing together businesses and entrepreneurs from Great Britain and Cyprus, as a means of establishing long-lasting professional relationships.

Thank you for this opportunity to introduce myself to our distinguished members.

I grew up in Larnaca and studied mechanical engineering in HTI in Nicosia. Even though engineering was my area of study and expertise, soon enough, I discovered another great skill of mine; sales. A very good friend of mine, the late Mr. Minos Nicolaou, pushed me back in 1995 to join Cyprialife as a life insurance consultant. That was the beginning of an overwhelming 25 years' career. I have since then acquired extensive education in insurance and financial services and became a Certified Financial Advisor and a fellow of the Life Underwriter Training Council and a member of the Million Dollar Round Table.



In 1998, I met my wife Ellada and since then I have moved in Limassol where we had our two lovely daughters and developed our business.

2. Palmyri Insurance Agents and Consultants; When was this company formed and how has its journey been so far?

Our business has been offering insurance and financial protection to over 600 clients for over 25 years, with life sums insured exceeding €50.000.000. The ongoing success of our business led to the incorporation and formation of Palmyri Insurance Agents and Consultants Ltd in 2005. Through the years, we became specialists in assessing customers' individual needs and delivering customised products that offer peace of mind, by mitigating today's and future's risks.

3. I understand that your company provides a wide spectrum of insurance services. Can you outline them in a nutshell?

Our company can virtually offer any kind of insurance products. We have a full range of life products, such as life insurance, pension plans and medical plans, while we also offer a wide range of non-life products, such as, property insurance, motor insurance, all types of liability insurance such as public liability, employer's liability, professional indemnity insurance and many more.

4. Let us concentrate in Life Insurance. Please tell us, what kind of policies can your company provide?



I can positively say that Life Insurance is our great specialty. We offer life products that can mitigate the everyday risks of both individuals and businesses.

In regard to personal insurance products, we offer family protection plans, loan protection plans, pension plans, investment and savings schemes, as well as health & accident plans.

In respect of Businesses Life Products, we can offer Group Plans that provide Health Insurance, Life Insurance and Pension Plans to the employees of a business. In addition, Key man insurance, Shareholders' insurance are our areas of speciality.

5. Have you implemented any new strategies in order to provide a better service to your clients and attract more customers due to the new norm that Covid-19 brought to our lives?

It goes without saying that Covid-19 has introduced many changes to our lives, and providers of services are called to find new ways of attracting new clients and to provide tailored services to them, in order to stand out from competition.

Luckily for us, Covid-19 coincided with the addition of my wife Ellada to the salesforce of Palmyri Insurance. Ellada, having worked in the banking sector for over a decade, joined our team to take over the marketing side of the business, by implementing new technological strategies.

As a result, we have been increasing our presence in social media, communicating with our clients through LinkedIn, Facebook, and Instagram. Also, our newly formed business website is currently under construction which will bring us even closer to our current and prospective clients.

6. How challenging is the competition in the insurance industry and why should someone choose Palmyri Insurance Agents & Consultants?

The insurance sector has seen a steady growth in the past few years, and as a result, more young people decide to join this promising sector. Although that leads to the increase of competition, we are very happy and enthusiastic to see that young and well-educated people select our profession as their long-term career. This does not only increase the prestige of our profession, but it also pushes us to be better and stay abreast of industry changes. Our team is continuously trained and remaining up-to-date with industry changes, in an attempt to offer the best possible solutions to our clients.

Apart from well education and training, an insurance agent/consultant should be equipped with honesty, trustworthiness, and reliability. These are just some of the qualities that our clients find in our team, and which make us their first choice when it comes to their insurance and financial needs.

7. Your final message to our readers and your clients.

In light of these unprecedented times, I would like to remind our readers of the importance of protecting one's family and business, both physically and financially. If this past year has taught us something is how life can change in an instant. Having life insurance in place means your family and your business is protected financially. And the thing with life insurance is that you cannot get it when you need it, so it is better to get it NOW.

Dear fellow members, Ellada and myself are very happy to help you with free consultation on how to mitigate your family's and businesses' risks. Please do not hesitate to contact us at our telephones or email addresses.

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BUSINESS PROFILE

P.L. PROPERTY GALLERY Developers & Constructors Ltd



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The team of P.L. Property Gallery Developers & Constructors Ltd has over 19 years of successful experience in the Cyprus real estate market. Our team has managed to win an impeccable business reputation and recognition of the professional community. We are proud of 36 international awards at the prestigious competition of real estate developers International Property Awards, as well as membership in the FIABCI Association and the Cyprus Chamber of Commerce and Industry. We are among TOP 20 winners in the rating of Homes Overseas magazine. The jury made an appraisal of the real estate units at the construction launch and awarded an honorary position in the international list of developers.

Our policy: quality, innovation and unique design

Now we are successfully building 40 real estate units in Cyprus.

Each of them is built with strict adherence to our policy rules:

- perfect quality
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- unique design.

Purchasing real estate in Cyprus from P.L. Property Gallery Developers & Constructors Ltd, you are granted comfortable housing under all the standards of modern ergonomic space. Innovative solutions and technologies allow us to achieve a better combination of construction time, cost and convenience.

However, when building real estate in Cyprus, we do not give up on solutions that have proven their efficiency. Every detail is taken into account at each stage of construction. We use the best construction and finishing materials, carefully approach the exterior and interior design. We set the bar high for you to purchase the best real estate in Cyprus for a comfortable and happy life.

P.L. Property Gallery Developers & Constructors Ltd team is a group of qualified and experienced experts

Our long-term success would be impossible without a close-knit team. The largest developer in the Cyprus real estate market P. L. Property Gallery Developers & Constructors Ltd employs only experienced professionals with proven high-level qualification. The company is managed by talented managers Mr. Panagiotis Georgakis, Chairman of the Board, and Lira Ambrosidou, Director General. Each team member knows all the aspects of the real estate market as a whole and the features of building, selling, and purchasing housing in Cyprus. This allows us to provide an impeccable level of service at all stages of cooperation. The team of experts in P.L. Property Gallery Developers & Constructors Ltd will help you purchase real estate in Cyprus, get comprehensive legal assistance, qualified support in managing an apartment or house and resolving migration issues.

Our awards in the field of real estate construction

If you want to purchase real estate in Cyprus, being sure of its quality and compliance with all personal requirements, choose an experienced developer with proven high-level skills. P.L. Property Gallery Developers & Constructors Ltd is the best choice. We offer the best real estate in Cyprus, which is recognized by the professional community. In the last 10 years alone, we have received 36 prestigious awards, and our team is not going to stop there.

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WHO WE ARE

Our firm, **Pelagias, Christodoulou, Vrachas LLC**, is one of the most established and oldest law firms in Cyprus. We strive for excellence in reaching quality taking our clients objectives personally and aiming to build strong and long – lasting relationships. We consolidate a profound, multi-faceted knowledge of the law with a strong sense of professionalism in delivering results through our powerful team of lawyers.

Our law firm was founded in 1920 by John G. Pelagias and originally operated in Limassol. In 1950 his son George J. Pelagias relocated the law firm to Nicosia, where it has been operated since then.

In 1984, Alexandra Pelagias – Christodoulou joined her father and subsequently became partner in the law firm. In 1992, our law firm grew further when Petros Fr. Vrachas joined the firm which was then reorganised and later renamed to PELAGHIAS, CHRISTODOULOU, VRACHAS LLC.

WHAT WE DO

We aim to lead in each practice area of law we work in. Our clients range from multinational corporations to privately owned companies and individuals from different jurisdictions. Our focus is to concentrate on each client's specific requirements and objectives to provide legal solutions tailored to their needs.

The quality of our services has long been acknowledged and recognised by our clients on both domestic and global level. Establishing our commitment to the wider community at large, we take pro bono work and offer the same level of service to clients who find themselves in particularly challenging situations. Through this procedure, we gain priceless experiences and job satisfaction, making us stronger and progressively cultivated leaders in our respective practice areas. Our highly qualified and experienced lawyers offer their services across all major areas of law, including corporate & commercial, litigation, investment funds and financial services, banking & finance, energy, real estate, mergers and acquisitions, competition, immigration, tax, insurance, administration, public procurement, employment as well as intellectual property and data protection.



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Introduction of Mandatory Electrical Safety Checks for Residential Tenancies

By Gary Scott, Partner at Spector Constant & Williams



On 1st July 2020 the [Electrical Safety Standards in the Private Rented Sector \(England\) Regulations 2020](#) came into force in England and Wales for new Assured Shorthold Tenancies (AST's) from that date and on 1st April 2021 all landlords must comply with the regulations no matter when the AST was entered into.

What do the Regulations entail?

The effect of these regulations from 1st April 2021 is that all private landlords of Assured Shorthold Tenancies will be required to have electrical safety inspections and a condition report (EICR) carried out by an appropriately qualified person. The Landlord then has to provide a copy of the EICR to their tenants confirming that the inspection has been carried out and that the property complies with the standards set out in the 18th Edition of the Wiring Regulations.



The EICR must be given to the tenants (i) before the start of their occupation of the property (or 1st April 2021 whichever is sooner); (ii) whenever the certificate is replaced following a new inspection; and (iii) within 28 days of any request from the tenant, prospective tenants or the local authority.

An EICR is valid for 5 years but this is not always the case and care should be taken to ensure a replacement is obtained before the expiry date given in the certificate.

Breach or Non-compliance

In the event that a breach is identified in an EICR then that needs to be investigated further or remedied within 28 days and once remedied a further report is required to confirm that works have been carried out and that the property now complies with the regulations.

This may cause some significant headache for landlords with older (but safe) electrical installations, because no matter whether the installation is safe, if it doesn't comply with the 18th Edition of the Wiring Regulations then it will not receive a satisfactory EICR and will need to be upgraded to comply with those regulations if the landlord is not to fall foul of these new rules.

The 18th Edition only came into force in 2019 so it is possible that any EICR obtained prior to that date will not be valid for the purpose of these regulations (as it would refer to the wrong edition of the Wiring Regulations)

Possible Penalties

The penalty for failing to comply is a heavy fine (maximum £30,000), a requirement to carry out the work in any event or the local authority carrying out the work and then charging it back to the landlord. It is not yet clear whether the failure to provide a certificate will prevent the landlord from issuing a s21 notice (being a "no-fault" notice ending the tenancy). It is not presently the case, but there may be parallels drawn with the Gas Safety regulations which have resulted in landlords being unable to serve such a notice where they have failed to provide a copy of the gas safety certificate to their tenant at the relevant time. It would be prudent to ensure that new tenants are always given the EICR before they occupy.

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IPO – Standard List Vs. AIM

We have recently been involved with an IPO for one of our client's companies, and the question arose as to whether they should list on AIM or the Standard List.

GE The two listings namely AIM and the Standard List have distinct different reporting and operational requirements. Furthermore, the two markets also allow businesses to treat their shareholders in different ways.

The London Stock Exchange (LSE) operates two principal markets namely the Main Market (sometimes referred to as the Official List) and the AIM market. The Main Market is made up of two regimes, namely "Premium" and "Standard". The Premium listing is typically used by larger companies who qualify in terms of having access to a more liquid market with an increased profile. Companies with a Premium listing can also be eligible for inclusion in the various FTSE indices. Unsurprisingly, companies who have a Premium listing must meet higher standards of regulation and corporate governance and the level of regulatory costs are also significantly higher.

For smaller companies, the decision remains as to whether to list on AIM or the Standard List. For a Standard Listing, companies only have to comply with the minimum legal requirements and of course the fees are also significantly lower. Similarly, AIM was set up as the LSE's exchange for smaller and growing companies and it also has a simplified regulatory environment, which cater for the needs of such companies.

A summary of some of the differences between a Standard listing on the Main Market and a listing on the AIM market are as follows:

- Market cap – companies with a Standard listing must have an expected market value of at least £700,000. There is no such requirement for companies listing on AIM.
- Float size – a company listing on the Standard market requires at least 25% of the company's shares to be floated on the market.



- Track record – there is no requirement for a track record for companies listing on either AIM or the Standard market. However, for a company listing on AIM that has not been earning revenues for a minimum period, all investors holding at least 0.5% must be locked in for a minimum period of 12 months after IPO.
- Nomad – a company must have a nominated adviser to list on AIM whose role it will be to advise and guide on the company's obligations under the AIM rules. A nomad is not required for companies who list on the Standard market.
- Prospectus – a company listing on the Standard market is required to provide a prospectus which has to be approved by the UK Listing Authority. A listing on AIM does not require a prospectus but instead an Admission Document which must be prepared in accordance with the AIM rules. It is fair to say that the Admission Document contains similar information to that contained within a prospectus.
- Corporate Governance – there are no requirements for companies listing on either AIM or the Standard market to say that it has complied with the UK corporate governance code. However, a company listing on the Standard market must identify the corporate governance code that it is going to be subject to and this has to be disclosed as part of its annual report (directors report). Companies listed on AIM are required to comply with corporate governance guidelines for Smaller Quoted Companies.
- Reporting – Companies on the Standard market must file on an annual basis with the UK Listing Authority a document containing all the information that is required to be provided to the public over the previous 12 months. Whilst companies listed on AIM do not have to do this, they still need to ensure that such notifications are freely available on their website. In terms of financial reporting, a company on the Standard market requires to publish an annual report within four months of the end of each financial year whilst the time constraint for AIM listed businesses is six months. In addition, Standard listed companies must publish their half year results within two months of the end of each half year whilst AIM listed companies have a three-month deadline.
- Tax Relief – somewhat surprisingly, companies listed on the Standard market do not qualify for tax relief through the Enterprise Investment Scheme or Venture Capital Trust. AIM-listed companies do however qualify provided certain criteria are satisfied.

It is hoped that this article sets out some of the differences between the two listings. Each market has its relative advantages and disadvantages, including for companies on the Standard market the ability to move to the Premium market relatively easily, which is not necessarily the case for AIM-listed companies.

However, shareholders in AIM-listed companies have more influence including the right to vote on substantial transactions including related party transactions, whereas this is not necessarily the case for a Standard-listed company.

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COVID-19 AND ITS IMPACT ON BUSINESS CONTRACT TERMINATION

The economic impact of the Covid-19 pandemic has been overwhelming for businesses. The severe disruption has meant that many companies have been unable to meet their contractual obligations or have suffered loss because their suppliers have been unable to deliver under an agreement.

English law generally works to ensure that a contract, even where there is a change in circumstances, making a contract more difficult or costly or even impossible to perform, has to be performed and will be enforced. The foremost exceptions to this general principle are Force Majeure and Frustration, considered in more detail below.

These principles, in theory, could offer an opportunity to a party wishing to terminate a contract because of the impact directly caused by the Covid-19 pandemic.

The Covid-19 Pandemic – Is it a force majeure event and what is force majeure?

Force majeure is French derived. The English equivalent of Act of God more clearly describes the concept, whether you are a believer or not! Earthquakes, floods, typhoons, serious storms and natural disasters not in the control of woman or man are examples.

But because force majeure is never implied into a contract, it exists as an exit route only when defined. Accordingly, force majeure clauses are stretched in some instances to anything outside of a contracting party's immediate control, which of course is something completely different. It is important therefore to look to the drafting, to see if there is a force majeure clause.

The key issue is then to identify if the force majeure clause covers the Covid-19 outbreak. If the words epidemic or pandemic are included, that is a good start. If the clause extends to 'circumstances beyond the party's control', this will probably also cover Covid-19, even though, in general, such wording carries with it a higher risk of uncertainty.

Force majeure clauses usually specify how a force majeure event must impact the contract. For example, that the force majeure event has to prevent performance entirely or result in a delay for a specific period of time. Often, these clauses will require parties to take reasonable steps in mitigation. This concept is inherent in our common law system, requiring an affected party to take steps to ensure it mitigates damage arising. So, all contracting parties should take reasonable steps to avoid or reduce the adverse consequences of a contract breach arising because of Covid-19.

What is the effect of force majeure clauses? This will again be dependent on the drafting of the specific clause, but some clauses will permit an absolute termination whilst others only partial termination or a delay of performance.

If you think you can rely on a force majeure clause to release you from your contractual obligations, be aware of any notice that should be given, whether this is specific to the force majeure clause or the more general notice provisions of the contract. In any event, clear and prompt communication of issues arising that may trigger a force majeure clause, is always the best path forward in any business relationship.

Frustration of Commercial Contracts due to Coronavirus

We are all very frustrated by Covid-19. Are your contracts? The doctrine of frustration needs to be considered. As a common law doctrine, this has the advantage of no specific contract clause being required.

For frustration to apply, an unpredictable or unforeseeable event must make performing the contract impossible, illegal or so radically different from that contemplated by the parties at the time they entered into the contract, that it would be unfair to insist on performance. The effect of frustration is to terminate the contract and release all parties from their remaining obligations. If there is an alternative, which is more costly or inconvenient, the contract will still be upheld.

The courts have generally been reluctant to infer frustration and will look to the facts, the parties' knowledge and their ability to perform in the circumstances. There is a high burden of proof placed upon the party seeking to rely upon frustration. Furthermore, available rights of redress are limited. It is not yet clear how the courts will apply frustration to contracts effected by this pandemic, and frustration is not an easy or always available route to take. Commercial sense will dictate whether it is more sensible to negotiate alternative terms of performance in order to continue a commercial relationship and to change it to a way that works. The impact of Covid-19 has been so fundamental and widespread affecting so many business areas that many contracting parties have amicably agreed significant changes to pre-existing commercial agreements, to accommodate the unforeseen and unforeseeable impact of the Covid-19 pandemic.

If you do agree to a delay in performance or a variation to your business contract, consider whether you wish to reserve your rights to bring a future claim should you need to. In any event, clarity and openness is key and it is important to agree everything in writing, which of course, our corporate department can help you to do.

Government Interference with Contract

Given the extent of the Covid-19 pandemic, the Government has intervened in numerous types of commercial arrangements. We have seen, for example, laws preventing landlords evicting tenants, preventing companies from being wound up etc. There has however been no direct intervention in terms of enforceability of general commercial contracts, no government-imposed force majeure regime. It is clear however that in a situation as serious as that generated by Covid-19 (which comes on top of much business disruption arising from the impact of Brexit) there is an expectation of parties behaving reasonably. It is also likely that a business that has done everything possible to make accommodation, taken steps to mitigate issues, limit damage and which has communicated this clearly and openly, will be regarded in a much more favourable light in Court, should litigation ensue.

Michael Hatchwell and Hannah Bingham

Corporate & Commercial, Child & Child

12.03.2021

Please note, the information provided above should be read as general guidance and is not intended to be conclusive law. Please contact us to discuss your specific issues or requirements and we will be happy to advise you accordingly.



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NEW AMENDMENTS TO THE CYPRUS RESIDENCY PROGRAMME

By Esme Palas, Partner, at Michael Kyprianou & Co.LLC



Cyprus has always been considered as an ideal destination for Permanent Residence by Non-EU Nationals. The Cypriot Government, in an attempt to further attract foreign investment to the island and to help economic recovery and further economic growth, recently announced certain amendments to the provisions of Regulation 6(2) of the Aliens and Immigration Regulations, which became effective on 24th March 2021.

An Immigration Permit under Regulation 6(2) gives Non-EU nationals the right to permanently reside in Cyprus. The recent revision of regulation 6(2) is in line with the Cyprus Government's objective to stimulate and increase foreign investment in areas other than merely real estate.

The most significant amendments are as follows:

Additional Investment Criteria Added

michaelkyprianou

Advocates - Legal Consultants

Though the required amount of the investment remains the same, the investment criteria have been expanded and are no longer solely related to investment in real estate. Other categories have been included.

In order to qualify, the Applicant must make an investment of at least €300,000 in one of the following categories of investments from funds that emanate from abroad:

(A) Investment in a house/apartment:

Purchase of a house or apartment by a Land Development company, which should relate to a first sale of at least €300,000 (plus VAT).

(B) Investment in real estate (excluding houses/apartments):

Purchase of other types of real estate, such as offices, shops, hotels or similar developments, or a combination thereof with a total value of €300,000. Resales are acceptable.

(C) Investment in the share capital of a Cyprus Company with activities and staff in Cyprus:

An investment worth €300,000 in the share capital of a company registered in the Republic of Cyprus, which is based and operates in the Republic of Cyprus and has a proven physical presence in Cyprus and employs at least five (5) people.

(D) Investment in units of a Cyprus Collective Investment Organization (type AIF, AIFLNP, RAIF):

An investment worth €300,000 in units of a Cyprus Collective Investment Organization.

No obligation for a Fixed Deposit

Another significant amendment is that the Applicant is no longer obliged to deposit €30,000 in a fixed deposit account, locked for three years. This requirement has now been removed.

Requirement of a Secure Annual Income

It continues to be the case that, in addition to making the investment, the Applicant should be able to demonstrate that he has at his disposal a secure annual income of at least €30,000. Such annual income is increased by €5,000 for each dependent family member and €8,000 for each dependent parent of the Applicant or his/her spouse.

In the event that the Applicant makes an investment under criterion A above, to purchase a house or apartment, it is essential now, as it was previously, that the Applicant can prove that his income derives from abroad.

However, when it comes to investing in criteria B, C, or D above, it is notable that the new amendments provide that the Applicant's source of income may be derived from sources from activities within the Republic.

Declaration of 'No intention to work in the Republic'

It has been a requirement of the Programme that when applying under Regulation category 6(2), the Applicant and his/her spouse had to certify that they did not intend to work in the Republic.

This continues to be the case under the amended regulations, with the exception of their employment as Directors in a Company in which they have chosen to invest under this policy, which is now permitted, provided they do not receive a salary.

Furthermore, it is clarified in the new amendments that where the investment does not relate to the share capital of a Company, the Applicant and/or the Applicant's spouse may be a shareholder in companies registered in Cyprus and the income from dividends in such companies shall not be considered as an impediment for the purpose of obtaining Permanent Residency.

Requirement of Proof of Residence under criteria B, C, or D

Another notable point is that the amended regulations provide that where the Applicant chooses to invest under criteria B, C, or D above, the Applicant should present information in relation to his place of residence in the Republic which can be a title deed, sales agreement, or rental agreement.

Provisions relating to Investment in Real Estate

When investing under criteria A and B above (Real Estate), it continues to be the case that at least €200,000 plus VAT needs to be paid prior to submitting the application and that evidence should be provided that the funds for the investment must have emanated from abroad and are not a product of internal borrowing, and these funds need to be deposited in a financial institution in Cyprus in the Vendor's bank account.

It should be noted that the purchase of real estate can be made by a legal entity in which the Applicant and/or his spouse are the sole shareholders or UBOs, and which entity is legally established in the Republic of Cyprus or in another Member State of the European Union or the European Economic Area.

For the purposes of applying under Criterion A in relation to the purchase of a house/ apartment (dwelling), it is specified that:

- (a) The Applicant may purchase up to two (2) units of residential property, (apartments or houses), provided that the total market value meets the minimum requirement of €300,000 plus VAT.
- (b) This purchase must relate to dwellings sold by a land development company for the first time, (not resales), unless the purchase of the dwellings took place before 07/05/2013.
Contract of Sales contracts relating to resale of dwellings which were deposited in the Land Registry before 07/05/2013 will be accepted for the purposes of implementing this policy.

It is emphasized that the properties do not have to be purchased by the same Land Development company.

Dependents of the Main Applicant

The Immigration Permit is issued to the Applicant and it can include his/her spouse and dependent children up to the age of 18.

As before, an Immigration Permit can be granted to unmarried children of the Applicant between the ages of 18 and 25, only when it is proven that, at the date of the application, they are attending higher educational institutions abroad and provided they are financially dependent on the Applicant. Such dependent children shall submit their own separate applications for an Immigration Permit upon payment of the appropriate fee.

It is noted, however, that, if the children of the Applicant between the ages of 18-25 are enrolled as students in Higher Institutions of the Republic of Cyprus, they will have to apply for a Temporary Residence Permit in the Republic in their capacity as students under the relevant legislation (EU Directive). Following the completion of their studies, they will be entitled to apply for a Permanent Residence Permit, irrespective of their age with the only prerequisite that the main Applicant provides evidence of an additional annual income of €5000 per annum. The Permit will continue to apply after the age of 25, even if the children marry by then, and they are no longer students or financially dependent on the Applicant. It is understood that their spouse and their minor children may not be included as dependent persons in such a permit.

It continues to be the case that the parents and parents-in-law of the main Applicant can apply on the basis of the main Applicant's investment, with the prerequisite that the Applicant will present an additional annual income of €8,000 for each dependent parent or parent-in-law.

Higher Value Investment to include Adult Children

An important addition in the Regulations is that it is now possible for the main Applicant to make an investment of a higher value in order for his adult children to obtain an Immigration Permit (Permanent Residence) even though they are not financially dependent on the main Applicant.

The market value of the investment of €300,000 needs to be multiplied according to the number of adult children, which will rely on such investment for the purpose of obtaining an Immigration Permit.

In the event that the investment relates to Real Estate, as described in criteria A or B, a receipt of payment of at least 66% of the market value of the properties should be submitted together with the application.

It must be noted that, in such cases, each adult child must be able to prove a secure annual income of at least €30,000, which will be increased by €5,000 for each dependent person.

Such investment can be made jointly in the name of the Applicant and the adult child or exclusively in the name of the Applicant.

Clean Criminal Record

Needless to say, it remains a fundamental requirement that the Applicant provides a clean criminal record from his country of origin and residence, and generally does not pose any threat to public policy or public security.

Application Procedure and Examination

The application will be processed by the Civil Registry and Migration Department and shall be forwarded for examination and decision to the Minister of Interior, provided that all the criteria and requirements are met. It is estimated that the examination period will be two months from the date of submission of the application.

Permanent Residency in Cyprus as a Plan B

The amendments introduced to the Cyprus Residency Programme are more than welcome. Especially now that the previous Cyprus Investment Programme has been suspended, we are optimistic that the Cyprus Residency Programme, as amended, will continue to attract those investors who are searching for a Plan B to safeguard their families, in addition to merely protecting their wealth. The unique combination of benefits that Cyprus has to offer, including the high quality of life, low cost of living, excellent education, a high standard of healthcare, tax advantages, a strategic business location, as well as the international business environment, are all important reasons for those looking to obtain Permanent Residency in Cyprus. As it has become necessary during the lockdown to spend an extended amount of time in one place, investors are now looking for a country where they are happy to stay for a lengthy period of time. Thus, countries such as Cyprus, with its good infrastructure, healthcare and education and that are welcoming to international residents, are in the forefront of their consideration and we hope that these amendments will make the Programme even more attractive to investors.

*The content of this article is valid as at the date of its first publication. It is intended to provide a general guide to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on your specific matter before acting on any information provided. For further information or advice, please contact **Esme Palas, Partner, at T: +357 26930800 or via Email at: esme.palas@kyprianou.com***

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WHAT DOES BREXIT MEAN FOR EU TRADEMARKS?

February 2021

The Transition Period relating to the UK's exit from the European Union has ended on 31st December 2020. Thus, from the 1st of January 2021 all EU Trademarks and International Registrations designated within the EU, ceased to enjoy protection within the United Kingdom.

As of the 1st of January 2021, European Trademarks ("EUTM") will no longer protect trademarks in the UK. Under the Withdrawal Agreement Act, on the 1 January 2021, the UK Intellectual Property Office has created a comparable UK trademark ("UKTM") for all right holders with an existing EU trademark.

Existing EUTMs will still protect trademarks in all EU member states. UK businesses are still able to apply at the EU Intellectual Property Office for an EUTM. There will be no changes to UK-registered trademarks as a result of the UK leaving the EU.

On all pending EUTM applications, applicant will have the ability to register the same trademark, as a UK right, within nine months after the end of the transition period, this being up to and including **30 September 2021**.

Key points for Intellectual Property rights owners to be aware of:

- For EU trademarks and international trademarks designating EU that are registered by the 31 December 2020, no further actions are needed to be taken in respect of the extracted UK registration until the first renewal date after 31 December 2020.

At this point, payment of renewal fees in the UK Intellectual Property Office ("UK IPO") will be needed in order to preserve the extracted UK right.

- For EU trademark applications that are pending as from **31 December 2020**, owners can preserve the benefits of the application in the UK by filling up to 30 September 2021, an application to register the same mark in the UK, in respect of some or all of the same goods and services, while maintaining the same dates of filing, priority and seniority.

As of the 1st of January 2021, European Trademarks ("EUTM") will no longer protect trademarks in the UK.

- Where a new trademark registration covering the UK starting 1 January 2021, **an application should be filed for a UK national trademark**.
- As from 1 January 2021, the UK IPO created a comparable UKTM for all right holders with an existing EUTM with no additional registration fee, no assessment of absolute or relative grounds for refusal and no UK registration certificate will be issued. Details about the new UKTM will be available online on www.gov.uk/search-for-trademark.

Effects of Brexit in pending EUTM applications as at December 31, 2020

- EUTMs will not be automatically converted into national UKTMs. Filing a separate trademark application in the UK will be necessary in order to obtain trademark protection. The owner of the EUTM application will have 9 months (ending on September 30, 2021) to “opt in” for an equivalent UK application. Usual fees will be paid to the UK IPO.
- There will be no notifications of such right to “opt-in”, so this 9 month period will need to be monitored.

Renewal of EUTM and national UKTM

- Where an EUTM renewal date falls after the 31 December 2020, early payment of the renewal fee at the EU IPO will have no effect in respect of the new UK Trademark.
- The newly created UKTM will need to be renewed separately to UK IPO to enjoy protection in the UK for another 10 years.

The purpose of this legal briefing is to provide a general guideline on the subject and not to be considered, in any way, as legal advice. It is advisable to seek professional and legal advice on this subject before proceeding with any general information provided to you. For further clarifications and advice please contact us at legal@economideslegal.com.

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Crypto-assets in the ambit of the new AML law

By Christiana Nestoros, Advocate/Associate at Elias Neocleous & Co. LLC



During the last few years we have witnessed the growing popularity of ‘virtual’ or ‘crypto’ currencies. Today, we could even say that their use has become a trend, as many individuals can buy virtual currencies through various platforms and applications by simply using their smartphones, while at the same time watching their favorite TV show. The procedure to create a profile through the platforms selling such currencies is usually simple and swift, with very limited identification requirements. The use of virtual currencies, though, conceals the danger of the anonymity or pseudo-anonymity that characterizes them¹. Criminals can take advantage of this anonymity by using crypto currencies to transfer illicit funds into the financial system, achieving, in this way, their integration in the market and/or the financing of terrorist organizations. To paint the general picture of the scale of such misuse, the crypto currencies and blockchain report, requested by the European Parliament, states that “even though the full scale of misuse of virtual currencies is unknown, its market value has been reported to exceed EUR 7 billion worldwide”.²

In a world where the competent authorities and the criminals are in a never ending ‘cat-and-mouse’ game during which the authorities are always multiple steps behind the criminals, the European Union has adopted the Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 (the “5th AML Directive”) amending the Directives (EU) 2015/849, 2009/138/EC and 2013/36/EU. The 5th AML Directive’s aim is to enhance the transparency of financial transactions not only in the existing framework but also within the spheres of alternative finance and social entrepreneurship.³ It is hoped that this will be achieved by including as obliged entities a) the “providers engaged in exchange services between

¹ As defined in a recent International Monetary Fund staff discussion note (January 2016) “most cryptocurrencies are pseudo-anonymous: while cryptocurrency transactions are publicly recorded, users are known only by their VC addresses, which cannot be traced back to users’ real-world identity. As such, cryptocurrency transactions are more transparent than cash but more anonymous than other forms of online payment”.

<https://www.imf.org/external/pubs/ft/sdn/2016/sdn1603.pdf>

² Cryptocurrencies and blockchain, June 2018- requested by the European Parliament’s Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance

³ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, Recitals 2 and 8

virtual currencies⁴ and fiat currencies” and b) the “custodial wallet providers^{5”}.⁶ In other words, the 5th AML Directive applies to the service providers that fall under its definitions. As a result, they need to apply customer due diligence procedures in identifying and verifying the identity not only of all new customers but also of existing customers on a risk-sensitive basis.⁷ In addition, they are obliged to report suspicious transactions to the competent authority of their Member State. In this way, the EU seeks to change the rules of the game by reducing the anonymity hitherto enjoyed by criminals.

Cyprus, in recent times, has become a hub for the rapidly growing forex industry which has come to include crypto currencies along with fiat currencies. Regulators, having concerns over the crypto-assets activities, have been long awaiting the amendment of the local anti-money laundering laws. In connection with the above, on 23 February 2021 the Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus (the “Law”), came into force. The Law radically amends the Prevention and Suppression of Money Laundering Activities Laws of 2007- 2019 and implements the 5th AML Directive. It extends the definition of ‘obliged entities’ and catches within its ambit the crypto-assets service providers, who are now obliged to apply due diligence procedures every time they undertake a transaction amounting to, or more than, EUR 1,000, irrespective of whether this transaction occurs in a single transaction or, in multiple transactions that are interconnected.⁸ Given that the threshold provided by the Law is quite low, it is apparent that the competent authorities are determined to put under review and scrutiny the majority of the transactions undertaken by the service providers. The question is whether this scrutiny will be sufficient to deter criminal activity?

Crypto-asset businesses will now need to implement adequate measures and procedures to identify their customer and, any ultimate beneficial owner(s), in accordance with the Law. The use of technology can be of vital assistance with this demanding exercise, and software can be used “that can automatically background check an organisation to see if its ownership structure has changed, how long it has been established and where the company is registered. Furthermore, robotic and digital process automation (RPA and DPA) can be used to trigger an action such as an email asking banks for financial information such as P&L statements to show source of income, check for originating payments and even discrepancies in costs and profit to check for employees secretly siphoning off funds”.⁹

In addition, the 5th AML Directive stipulates that Member States shall ensure that the providers of exchange services between virtual currencies and fiat currencies and the custodian wallet providers are

⁴ Virtual currencies are defined in the Directive as: “a digital representation of value that is not issued or guaranteed by a central bank or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money, but is accepted by natural or legal persons as a means of exchange and which can be transferred, stored and traded electronically.”

⁵ Custodian wallet provider is defined in the Directive as: “an entity that provides services to safeguard private cryptographic keys on behalf of its customers, to hold, store and transfer virtual currencies.”

⁶ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, Article 1 (1)(c)

⁷ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, Article 1 (9)(b)

⁸ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 19 (β)

⁹ Steve Morgan, EU’s Fifth Anti-Money Laundering Directive: what the crypto-asset sector needs to know, 07 January 2020 <https://www.finextra.com/blogposting/18301/eus-fifth-anti-money-laundering-directive-what-the-crypto-asset-sector-needs-to-know>

registered.¹⁰ Pursuant to the Law, such a register will be kept by Cyprus Securities and Exchange Commission (CySEC) and will include a) crypto-assets service providers¹¹ that provide professional services or activities in the Republic of Cyprus, even if they are already registered in another Member State for the services or activities they provide and b) crypto-assets service providers that provide professional services or activities in the Republic of Cyprus, except the persons who provide or carry out services or activities in the Republic of Cyprus that are related to virtual currencies and who have been registered in another Member State for the services or activities they provide.¹²

It is important to note that individuals who are not registered can continue to provide or carry out crypto-assets services in the Republic of Cyprus only if they are registered in another Member State for the said services.¹³

The crypto-assets service providers will need to submit an application to CySEC, which will review it and decide whether it will be approved or declined.¹⁴ Upon acceptance of their application, crypto-assets service providers will need to pay to CySEC registration and subscription fees. These will be determined by a circular to be issued by CySEC. Furthermore, the Law provides that the crypto-assets service providers need to:

- a) immediately inform CySEC regarding any material amendments to the information required for their registration;¹⁵
- b) apply the organizational and operational requirements to be specified in a circular of CySEC;¹⁶ and

¹⁰ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, Article 1(29)

¹¹ It is defined in article 2 of the Law as: the person who provides or carries out one or more of the following services to another person or on behalf of another person: a) trade between virtual currencies and fiat currencies, b) trade between virtual currencies, c) management, transmission, transfer, retain, safeguard, including depository, of virtual currencies or virtual keys or means which allow the control of virtual currencies, d) offer and or sale of virtual currencies and e) provision of financial services in connection with the delivery, offer and/or sale of virtual currencies

¹² Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(2)

¹³ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E) (4)

¹⁴ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(4)and (5)

¹⁵ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(6)(a)

¹⁶ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(7)(a)

- c) ensure that individuals with a managerial position^{17 18} and the ultimate beneficial owner(s)^{19 20} of the crypto-assets service providers are always capable and honorable, in line with the circular to be issued by CySEC.

It should be noted that the crypto-assets service providers are obliged to comply with the circular of CySEC and failure to do so is considered to be an infringement of the relevant article of the Law.²¹ Therefore, it is of paramount importance for the crypto-assets service providers to review and comply with the circular as soon as it has been issued by CySEC.

The circular is keenly awaited, and once issued, it will be extremely interesting to see how CySEC clarifies the following current uncertainties:

- a) the requirements for the registration of the crypto-assets service providers;
- b) the reasons for removal from the register and its implications;
- c) the definition of material amendments on required information;
- d) the organizational and operational requirements that need to be in place;
- e) the amount of the subscription fee;
- f) how the capability and honorability of the individuals with a managerial position and the ultimate beneficial owner(s) can be assessed;
- g) the obligations of individuals holding managerial positions; and
- h) the obligations of the ultimate beneficial owner(s).

The 5th AML Directive has undoubtedly filled an extremely important gap in pre-existing legislation by shedding some light on the anonymity enjoyed by criminals using virtual currencies for their illicit activities. Nevertheless, only time will show whether the measures taken by the competent authorities are sufficient, or whether additional actions need to be adopted. To quote the words of Oliver Wendell Holmes Jr., “the life of the law has not been logic; it has been experience”.

For more information, please speak with **Christiana Nestoros or your usual contact at Elias Neocleous & Co LLC**.

¹⁷ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(9)(a)

¹⁸ It is defined in article 2 of the Law as: the individuals who are part of the board of directors of an obliged entity and/or perform executive functions and they are responsible to the board of directors for the everyday management of the obliged entity.

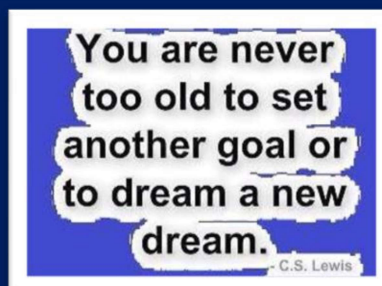
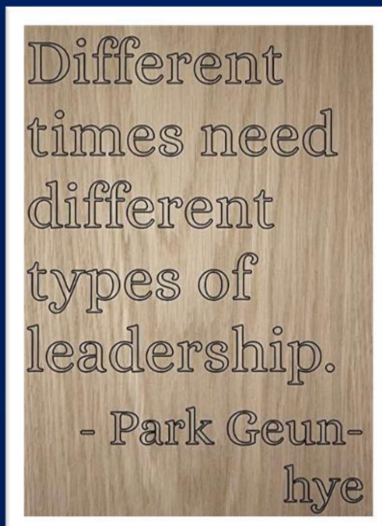
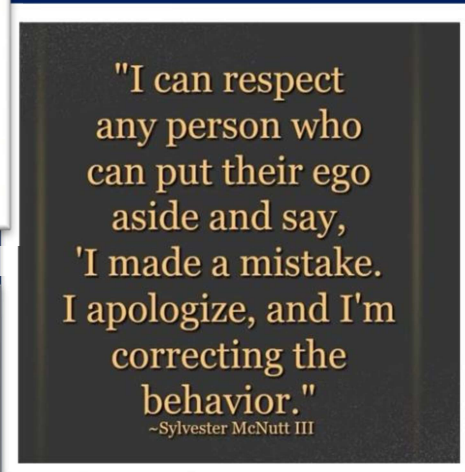
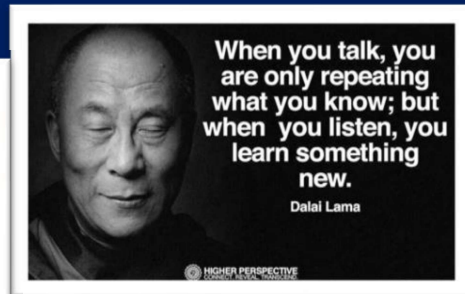
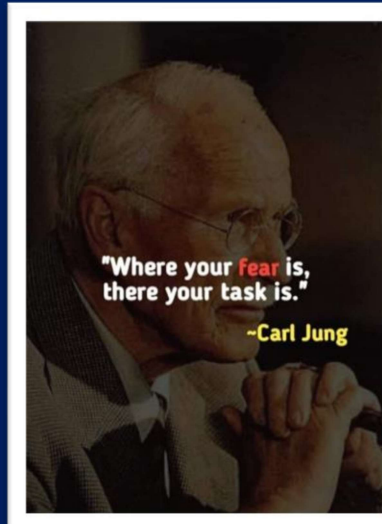
¹⁹ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(10)(a)

²⁰ It is defined in article 2 of the Law as: the physical or legal person who jointly or severally owns directly or indirectly: a) special participation (represents at least 10% of the share capital or rights of the virtual currencies service provider or exercises significant influence on the board of directors), b) a percentage of the voting rights or share capital that is equal or more than the minimum of 20%, 30% or 50%, or c) such a percentage in the virtual currencies service provider which is considered as a subsidiary

²¹ Law on the Prevention and Suppression of Money Laundering Activities of 2021 of the Republic of Cyprus, Article 61(E)(11)(b)

Leadership

By Savvas Kyriakides
Founder & President
Great Britain- Cyprus Business Association





**CYPRUS, A “BONUS STAGE”
IN THE GAMING BUSINESS WORLD?**

Cyprus has long been an established hub for international business and recent years have seen an increasing number of tech companies and start-ups choosing Cyprus for their regional headquarters from where to service clients in, amongst others, Europe, Middle East and North Africa.

In addition to being established as a safe and reliable jurisdiction, Cyprus is also high in the list of choices because of its cost-effective services, favourable tax and business environment, including more than 60 double tax treaties, as well as its skilled workforce.

E-sports and Games of Skill

We are in era of digitisation where more and more activities that were once carried out in the real world are now transposed in the 3-dimensional reality and games and sports could not be an exception. A particular sector that has been emerging strong in the recent years is that of online games of skill and in particular e-Sport games earning millions of dedicated supporters globally including not only the gamers themselves but also dedicated fans that watch the carrying out of organised tournaments in live streaming.

The increasing popularity of online games of skill and e-Sports, has given rise to new business opportunities for game developers, businesses organising tournaments for the said games, as well as a number of ancillary businesses such as gamers who provide tutorials and walkthroughs as well as stream their sessions online, reviewers, resellers, marketing and advertising.

As per the World Economic Forum, it was expected that the e-Sport sector was to grow to just over USD 1 billion in 2020. Given also the impact of the Covid-19 pandemic on traditional physical sports and games, it appears that online games of skill and e-Sport games have their chance to fill the gap created and claim their market share.

Undisputedly online games of skill and especially e-Sports are here to stay and to this end one may argue that Cyprus as a jurisdiction from where to operate in that market is a strong and competitive choice.

Why Cyprus should be on the International Businesses' Watch List

Cyprus has already started to attract the attention of tech and gaming businesses and start-ups and is seeing a growth in the number of those that choose to set up their operations in the sunny shores of our Mediterranean island.

Currently, Cyprus legislation is silent with regards to the carrying out/organisation of games of skill and consequently e-Sports, that fall under the categorisation of games of skill. The relevant Cyprus legislation on this matter is the Law Providing for the Regulation of Betting and Related Matters of 2019 (No.37(I)/2019 as amended) (“the Betting Law”). The provisions of Betting Law regulate, amongst others, the provision of betting services in Cyprus, whether land based or electronic, which are licensed activities and strictly prohibit, inter alia, the carrying out of games of chance that fall under the definition of online casino games.

Although the Betting Law is expected to undergo amendments, as per the draft legislation that was published for consultation by the National Betting Authority in the end of 2020, games of skill were not explicitly included in the licensed activities under the law. A level of control is attempted to be established, as per the draft provisions of the amended law, in the sense that, in order for a holder of Class A or Class B bookmaker’s license to be able to carry out/provide games of skill, details of these should be submitted to the National Betting Authority for prior approval. As noted above, the amendments are currently in a draft state, therefore it remains to be seen the extent of any regulation to be imposed on games of skill and consequently e-Sports under Cyprus law. The spirit of the amendments introduced in the draft legislation do not foretell the intention for strict regulation over the said activities however.

In addition to the regulatory flexibility currently provided under the Cyprus legislation for activities that fall under the umbrella of games of skill, tech companies that choose Cyprus as their base may also benefit from:

- The geostrategic position of Cyprus that allows access to the EU market and close proximity to MENA;
- A service industry with long established experience in the establishment, administration and management of companies;
- The beneficial IP Box regime that Cyprus has to offer for software development. According to the Regime, 80% of “Qualifying Profit” generated from Qualifying IP Rights will be considered as a deemed expense for corporation tax purposes. The remaining 20% will be subject to the normal corporation tax rate of 12.5%;
- Strong network of double tax treaties with more than 60 countries;
- Excellent business and diplomatic relationships with a large number of jurisdictions that allow for smooth business operations;
- Fast track mechanism for licensing and immigration for non-EU nationals;

- Special income tax incentives for expat executives and new tax residents of Cyprus;
- Highly skilled workforce and given that Cyprus is a member of the EU the pool of available specialised workforce expands throughout Europe;
- Strong legal system based on common law.

A number of major international companies already have their regional headquarters operating in Cyprus for software development, system integration, testing services, R&D activities, project management, as well as marketing and sales. Such companies include NCR, Amdocs, Wargaming, 3CX and Viber.

Other than the major international corporations, Cyprus is also the chosen jurisdiction for a number of gaming start-ups, such as Nival, a video game developer specialising in strategy and MMORPG games, Learn2Play, an eSports company offering skill improvement platforms and Whipper, a gamified messaging platform, the founding team of which includes executives, investors and advisors from Netflix, Riot Games, Amazon, Swiftkey, Expedia and Viber.

In addition to its cost-effective services, favourable tax and business environment, Cyprus has developed an advanced communications infrastructure that can support businesses. With the government's commitment to launch incentives and invest in the tech scene, undoubtedly Cyprus is a "bonus stage" for international businesses operating in the online skill gaming and e-Sports sector.

The above does not constitute a legal opinion or legal advice under any circumstances. For further information, please contact us at kinanisllc@kinanis.com.

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February 2021

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Do I need to have a Will for my Estate in Cyprus?

By Andrea Anthimou, Advocate at Andreas Demetriades & Co. LLC



What is a Will?

In Cyprus, a Will is a legal document which contains a person's intentions as regards the distribution of his movable and immovable assets following his death.

Why do I need a Will?

Under a Will (subject to some limitations imposed by Law namely the forced heirship rules) a person can plan as to how his estate will be distributed following his death and who will be inheriting from his estate. It is very important to understand that if there is no Will in place, the rules of intestacy will apply which means that the estate will be distributed to the parties entitled under the Law which are divided into categories of line of succession.

Are there any limitations imposed by the Law as regards freedom of disposition in my Will?

Yes, there are limitations imposed by the Law as regards the freedom of Will which are also known as forced heirship rules.

Cyprus has a complicated system of forced heirship in which a portion of a deceased's estate must be effectively passed to surviving family members according to a system of inheritance. Natural children of deceased persons are entitled to an equal share of their parent's property along with their parent's spouse. The forced heirship regime applies to anyone's Estate in Cyprus irrespective of his place of residence or nationality.

Is there any way I can chose the law of my nationality to govern the succession of my estate?

A person can choose the law of their nationality as the law applicable to their estate. However, it is very important to understand that such choice must be clearly expressed in writing in their Will. This has been possible since 2015 whereby the EU Regulation 650/12 was implemented, and which has universal application.

How do I make sure that my Will is valid?

A Will is valid only if the testator is of sound mind and above the age of 18 and provided:

- (a) it is in writing,
- (b) it is signed at the bottom or at the end by the testator,
- (c) it is signed by two witnesses who are of sound mind, at the same time, in the presence and at the request of the testator.

It is vital to note that if the Will is comprised of more than one sheet of paper then each sheet must be signed by the testator as well as by the witnesses.

The witnesses of the Will cannot be beneficiaries under the provisions of the Will although they can be named as Executors.

Can I revoke or destroy my Will?

A Will is revoked if there is a later Will which expressly revokes the earlier or if there is a later Will which is clearly incompatible with the provisions of the preceding one. A Will can be destroyed if it is burned, torn up, or destroyed by any other means by the testator.

Do I need a lawyer to prepare my Will?

Strictly speaking, it is not necessary to appoint a lawyer to prepare your Will. However, bearing in mind the strict and changing requirements that need to be met with so that a Will is considered valid, it is highly recommended that you seek legal guidance so as to avoid complications.

The content of this article is intended to provide a general guide to the subject matter and does not constitute legal advice. For any further information, please contact Andrea Anthimou, at Andreas Demetriades & Co LLC by email at info@demetriadeslaw.com or by phone +357 26 811 668.



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Cyprus Implements the 5th Anti-Money Laundering Directive



Introduction

On the 18 February 2021, the House of Representatives enacted the 5AMLD into law (the “New Law”). With the enactment of the 5AMLD, Cyprus has complied with the provisions and changes imposed by the EU Directive 2018/843.

The new law was published in the Official Government Gazette on the 23 February 2021 and is now fully effective.

The 5 Key Elements of the New Law

1. Ultimate Beneficial Ownership Registries (“UBO Registries”)

The New Law imposes greater transparency on the financial sector regarding beneficial ownership with a focus on the beneficial ownership of trusts.

The New Law establishes two Registers: The Companies Register held by the Registrar of Companies (“RoC”) and the Trusts and Similar Arrangements Register, held by the Cyprus Securities and Exchange Commission (“CySec”).

The aim of these UBO Registries is to grant access to the public, competent authorities and other persons proving legitimate interest (under certain conditions to be laid down by internal regulations of each the RoC and CySec) on the information that is disclosable, the maintenance and operation of these.

a. Companies Register

This Register will be open to the general public and all relevant information regarding ultimate beneficial owners (“UBOs”) as prescribed the New Law will be available.

Specifically, the public will have access to the name, surname, date of birth, nationality, ID or passport number, residential address, the date of acquisition of the asset and registered in the Register, the date of when a UBO ceased to be an owner, the nature and extent of the ownership of shares held, either directly or indirectly by each UBO.

b. Trusts & Other Similar Legal Arrangements Register

This Register will **not** be open to the general public but to the competent regulatory authorities and persons who can prove a legitimate interest by applying to CySec, justifying why he / she should be granted access and by submitting evidentiary documentation to this end.

c. Other Legal Bodies

Information regarding other bodies such as clubs, foundations, federations, associations and unions will be held under a registry kept by the General Commissioner. This will be open to the general public and the relevant information set out in the New Law will be accessible.

2. Extending the Scope

The 5AMLD extends AML/CFT obligations to new assets being managed such as:

- **Virtual Currencies:** increasing the scrutiny on virtual currencies and extending the scope of AML/CTF controls in the 4MLD to virtual currency providers, to notably prevent anonymity. Anonymous safe deposit boxes will also no longer be allowed.
- **Art Traders:** When dealing with high-value artwork that results in a transaction of €10,000 or more, art traders will have to report suspicious activity and perform checks on customers when necessary.

3. Politically Exposed Persons (“PEPs”) Clarification

The Member States must issue a list of specific functions which qualify as “prominent public functions” to make sure individuals who are potential PEPs are identified for monitoring. The EU will then consolidate the lists from the Member States and publish the results keeping the individual’s identities anonymous.

4. Enhanced Due Diligence for High-Risk Third Countries

The EU currently maintains a list of High-Risk third countries, and when doing business with clients within these countries, parties are required to undertake enhanced due diligence measures. One of the new updates that the 5AMLD brings, is that any client that is based in a High-Risk country is now subject to **compulsory** enhanced due diligence measures, of which the 'relevant person' must undertake. These include obtaining information on the source of funds, background checks and

beneficial ownership to name just a few. Member States may also prevent firms from opening branches or subsidiaries in high-risk third countries and prevent the opening of a branch or subsidiary of a firm based in a high-risk third country.

This change aims to harmonise the rules concerning high-risk jurisdictions across the Member States. The EU hopes to ensure greater coordination and encouragement of firms to limit relationships with these countries.

5. Prepaid Cards -Electronic Money Payments

The threshold for prepaid instruments (e-money & prepaid cards) subject to due diligence has been lowered from €250 to €150.

The exemption from customer identification and identity verification no longer applies if the redemption or cash withdrawal of the monetary value of the electronic money exceeds EUR 50 or in the case of remote (online) payment transactions. The threshold was €100 and reduced to €50.

We're here to help

The 5AMLD is now in force and firms are now required to take the appropriate steps to incorporate the additions to their compliance landscape, however, if there are any questions relating to the above, or on a wider scale, we are here to help.

Connect with us for all your legal compliance requirements.

Connect with us

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Cyprus: Why relocate or establish your company there

By Xenia Neophytou, Director at C.X.Financia Ltd



If you are thinking of expanding your business internationally, relocating to Cyprus is a fast, easy and tax-efficient way to conduct business within the European Union and beyond.

What are the main types of business structures available in Cyprus?

Cyprus has one of the most business-friendly environments in the European Union. More specifically, the tax system in Cyprus offers numerous exemptions and a corporate tax rate of 12,5%. As such, relocating or establishing a business in Cyprus is ideal for tax optimization.

Coupled with its robust legal framework which is regularly updated and modernized, Cyprus is expanding and strengthening its international business foundations by offering investors an ideal place to conduct their business and

achieve an ideal balance between their personal and professional life.



What are the main types of corporate vehicles in Cyprus?

The main types of corporate vehicles in Cyprus are:

1. Cyprus holding/subsidiary company;
2. Branch of foreign company;
3. Sole proprietor;
4. Partnership;
5. Cyprus Trusts;
6. Listed company in Cyprus Stock Exchange ("SCE").

1. Cyprus holding / subsidiary company

There are three types of companies in Cyprus:

- (a) companies limited by shares, where liability for shareholders is limited to their shares;
- (b) companies limited by guarantee, where the liability of the members is agreed and members 'guarantee' the amount for which they will be liable for in the event of liquidation; and
- (c) unlimited companies, where the liability of members is unlimited.

A Cyprus private company limited by shares has a separate legal personality and is the most common type of corporate vehicle used by investors and entrepreneurs in Cyprus. There are limitless options for structuring a single limited liability company including as a holding or subsidiary company in a group structure. Cyprus companies benefit from one of the lowest corporate tax rates in the EU (12%) and may also be eligible to benefit from various other incentives which are on offer such as the recent 'Fast Track Business Activation Scheme' which targets foreign non-EU/EEA nationals.

A Cyprus company shall comply with certain formalities such as maintaining a registered office in Cyprus, appoint director(s) and a secretary and pay an annual fee to the Cyprus Registrar of Companies (the "Registrar")

2. Branch of an overseas company

An overseas company (i.e. a company which is not registered in Cyprus) may maintain a 'branch' (a place of business) in Cyprus. Branches of overseas companies, as opposed to holding/subsidiary companies that are registered in Cyprus, do not have a separate legal personality but merely constitute an extension of the overseas company. The rate of tax on Cyprus branch profits is the same as on corporate profits (12.5%). No further tax is withheld on transfers of profits or funds to a foreign head office.

An overseas company shall fulfil certain obligations in order to establish a branch (place of business) in Cyprus which are similar to those required by a company registered in Cyprus including, inter alia, maintaining a place of business on the island (similar to the registered address of a Cyprus company), director(s), a secretary and paying an annual fee to the Registrar.

3. Sole proprietor

Sole proprietors are physical persons (individuals) who conduct their business on their own account. They may transact and conduct their business under a trade/business name, but they remain personally liable for all the debts and obligations of their business. A sole proprietor's profit is subject to income tax, not corporate tax.

4. Partnership

Cyprus has three types of partnerships:

- (a) general partnerships, where all partners are jointly and severally liable for all the debts and obligations of the partnership;
- (b) limited partnerships, where one of the partners (the general partner) has unlimited liability for all the debts and obligations of the partnership and the limited partner(s)'s liability is limited to their contribution amount; and
- (c) partnership limited by shares, which was introduced in 2015, is similar to a limited partnership with the general partner having unlimited liability and the limited partner(s)'s liability being limited to the amount unpaid on their shares.

Some of the advantages of forming a partnership include the fewer formalities and costs during the formation of the partnership and the cost for operating and terminating a partnership (depending on the size and nature of the business activity the parties intend to carry out). On the other hand, a few major disadvantages of partnerships include the unlimited liability of the partners and the taxation of the income of the partnership (partners are taxed under the 'income tax' regime). Larger and more complex structures tend to opt for structuring their business using a Cyprus company.

5. Cyprus Trusts

The law governing Cyprus trusts is based on the English common law system and constitutes a combination of equity laws and statutory provisions. The trustee holds the legal title of the trust and the beneficiaries of the trust hold the beneficial title. Some trust arrangements choose to appoint a protector (which is not mandatory) for the purposes of protecting the assets of the trust. Cyprus International Trusts are used, amongst others, for tax planning purposes and business restructuring. The incomes and gains from sources outside Cyprus are exempted from any tax imposed in Cyprus.

6. Listed company in Cyprus Stock Exchange ("CSE")

Listed companies on the CSE are public companies. Listing a company on the CSE provides companies with the option of greater exposure to financing. A few financing options for companies listed on the CSE include investing in the company's share capital from members of the public or raising capital through the issuance of bonds.

What are the uses of a Cyprus company?

A Cyprus company is the most common type of corporate vehicle used by investors and entrepreneurs in Cyprus. A company may be used for the effective management and running of any kind of business including:

- (a) group financing purposes
- (b) the holding of various rights including intellectual property rights
- (c) ship management and ship owning
- (d) Cyprus investment firms
- (e) Alternative investment funds
- (f) establishing a foreign interest company seeking to expand its operation in the EU
- (g) investments in infrastructure and large scale projects such as the renewable energy sectors and the oil and gas industry

Cyprus has managed to become a dynamic business and investment hub that can offer opportunities across a wide range of sectors to professionals, entrepreneurs, and investors from around the world. The island is attractive for setting up a company, partnership, or trust for many reasons.

If you are interested in forming a Cyprus company, below we will explain the steps needed for it.

What are the Incorporation steps for forming a Cyprus company?

Incorporating a company in Cyprus is a fast, easy, and tax-efficient way to conduct business within the European Union and beyond. The basic steps for incorporating a company in Cyprus are the following:

Step 1 – Pre-Incorporation

Before incorporating a company in Cyprus, investors and entrepreneurs shall decide the name of their company, the company's registered office, director(s), secretary, shareholder(s), share capital and the memorandum and articles of association.

Prior to submitting the application for the incorporation of the company, an application is made to the Registrar of Companies and Official Receiver (the "Registrar") in order to request the approval of the proposed company name. The Registrar will review the request and if no issues are identified, the proposed name will be approved.

Step 2 – Submission of Application

An application for the registration of the Company is submitted to the Registrar. The application is accompanied by the prescribed forms and documents including information on the company's registered office, director(s), secretary, shareholder(s), share capital and the memorandum and articles of association.

Step 3 – Post-Incorporation

After the Registrar approves the incorporation, the company shall proceed with a number of registrations in the relevant authorities such as registration for tax and VAT purposes and registration as an employer. In addition, companies usually open a bank account with a Cyprus bank.

Step 4 – Compliance and Administration

Registered companies in Cyprus must comply with certain statutory obligations. A simple private limited liability company with no licensing requirements shall maintain accounting books, hold an annual general meeting at least once every year and submit an Annual Return to the Registrar with

the company's audited financial statements each year. The company's compliance requirements will depend, amongst others, on the business activity of the company.

Forming a Cyprus Company – Q&A

1. Why choose Cyprus as your next business destination?

One of the main reasons entrepreneurs and investors choose Cyprus is its low corporate tax rate of 12,5% on top of various other tax exemptions and incentives. Furthermore, Cyprus offers a robust legal framework that is regularly being updated in accordance with the economic trends and technological advancements. In addition, Cyprus is the place to be for those looking to achieve a better balance between their personal and professional life.

2. What business activities can be carried out by Cyprus companies?

Cyprus companies may be used for conducting any kind of business including, but not limited to, for group financing purposes, holding of various rights (such as IP rights), ship management and ship owning.

3. What are the minimum compliance requirements for a company in Cyprus?

All companies must keep proper books of account and prepare and submit financial statements in accordance with the latest version of the International Financial Reporting Standards (IFRS). The audited financial statements are submitted each year together with the Annual Report to the Registrar of Companies and Official Receiver. Companies shall also hold an Annual General Meeting at least once a year. Generally, compliance requirement depends on the company's business activity.

4. How long does it take to register a company in Cyprus?

Depending on the workload of the Registrar of Companies and Official Receiver, the incorporation procedure takes around 10 days to complete provided that all the necessary documents are submitted. The government has recently introduced a 'fast track business activation mechanism' which accelerates the incorporation process subject to the satisfaction of certain requirements.

5. Are there any minimum share capital requirements?

There are no minimum share capital requirements for Cyprus limited liability companies. The company can be incorporated with a share capital of as low as EUR 1.00 (one euro).

6. Can the share capital of the company change?

Yes. The share capital of the company can be increased or reduced subject to the satisfaction of the relevant statutory provisions.

7. I want to relocate to Cyprus – do I have to start my company from scratch?

Not necessarily. If you are thinking of transferring your company to Cyprus but are concerned with the hustle of transferring property from the foreign entity into the newly incorporated Cyprus company there is the option of re-domiciliation into Cyprus. Redomiciliation is the process under which a foreign company is transferred and registered as a Cyprus company and its legal personality continues which effectively means that the company will hold the same property and other proprietary rights as it did before. This option is available for foreign companies in countries where the legal framework permits the re-domiciliation of companies.



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- Investment Advisory



The UK business environment: Is now, the ideal time for a corporation to base its operations in the United Kingdom?

By Christia Christofi, Associate, at Michael Kyprianou & Co., London office



michaelkyprianou
— Advocates - Legal Consultants

In recent times, people and entrepreneurs around the world have expressed their fears when it comes to establishing their businesses in the United Kingdom. This has largely been fuelled by the uncertainty brought about by Brexit and the possible consequences it may bring on local corporations.

Contrary to popular belief though, establishing a business in the UK may now be the perfect time to do so and this article aims to highlight certain benefits and opportunities within the UK business environment for both local and international entrepreneurs and investors.

Firstly, to address the elephant in the room here, the Brexit deal that has recently been finalized, and also included the UK-EU Trade and Cooperation Agreement (UK-EU TCA), basically puts at ease many of the fears expressed by the

business world within the country. In fact, the UK-EU TCA guarantees that no tariffs will be imposed on firms exporting to the EU but also guarantees a level-playing field for UK companies with no barriers of entry, that will allow them to fairly compete the same way as before within the European markets, if they choose to. Even more important though, is the fact that the UK's exit from the EU gives rise to new opportunities for entrepreneurs as trade deals between the UK and other countries and new markets begin to solidify. The beneficial access to these potential new markets is something that would otherwise be impossible due to the European Union Regulations.

As important as it is to understand the pros of Brexit for UK entrepreneurs, there are other factors just as important when it comes to the efficiency, flexibility, and overall benefits of the UK business environment. For instance, the UK corporate tax rate is at the moment set at 19%. This is significantly lower than the worldwide corporation tax average of about 24% and even lower compared to countries such as France and Germany that have corporate tax rates of 26.5% and 30% respectively. Additionally, the United Kingdom, and in particular its capital city London, is a worldwide leading financial centre. Particularly, Venture Capital Funding is extremely popular and constantly on the rise throughout the UK, making it the ideal place for start-ups and innovative businesses that are seeking the right amount of funding at a low cost. If this is not enough for a potential investor to be persuaded, the United Kingdom is host to some of the highest ranked universities worldwide. Universities such as the University of Oxford, Cambridge University, the London School of Economics and Imperial College London are only a few examples of the worldwide-leading universities situated in the UK which allow local corporations to have access to a large pool of highly skilled labour in every industry imaginable.

Finally, when it comes to the efficiency of setting up a company within the UK, the process is incredibly fast. If an entrepreneur chooses to set up their business online through the government website, their business can be set up within 24 hours. Making the process even easier is the fact that the only requirement for setting up a company is that the company provides a registered address within the UK.

What is important to understand here, is that this article only highlights a few important benefits that the UK business environment provides to potential entrepreneurs and investors and this list is by no means a comprehensive one. Without a doubt, the United Kingdom has maintained an exclusive, innovative and worldwide competitive environment for entrepreneurs to thrive in and this is exactly the reason why countless multinational organizations have chosen the UK as a base for their business operations. As corporate legal advisors, our advice to both new or existing entrepreneurs would be that the UK could be the choice of location for their business operations, taking into consideration the current environment and the potential benefits and opportunities available in the UK.



*The content of this article is valid as at the date of its first publication. It is intended to provide a general guide to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on your specific matter before acting on any information provided. For further information or advice, please contact **Christia Christofi, Associate, London office**, at T: +44 20 385 75478 or via Email at: Christia.Christofi@kyprianou.com*

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Domenica Group

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During its first years the company was involved in both the public and the private sector, building houses, villas, schools, road works and executing project for the electricity authority, the Ministry of Education and Ministry of Interior.

After the Turkish invasion of 1974 and being a class “A” construction firm, it was involved in the restoration of the island. It was appointed to build projects for Banks, Municipalities, Organisations and Ministries, including the Ministry of Defence, something that only a handful of companies in Cyprus have experience with.

The large number of commercial and residential projects in Pafos and Limassol are further proof of high standards of quality and reliability. From apartments to luxury penthouses, from town houses to individual villas in superb locations Domenica Group has something to suit every individual and lifestyle.

Today, Domenica Group is one of the largest development groups in Pafos with approximately 480 employees throughout seven different companies, currently having a huge amount of properties available.

Besides Real Estate & Property Development, the Group is also active in the Tourist sector owing a number of Hotels in Paphos and Ayia Napa. The Group’s Travel Agency offers ideal tourist and investment tours and services. The Property Rental & Management Company binds the services that an Investor is expecting to get.

All developing projects are self-financed by the Group and it prides itself on its flexibility in terms of selling prices and methods of payment due to the lack of the usual constraints or pressures as a direct result of external finance.



Christakis Charalambous
Chairman

Chairman’s Message

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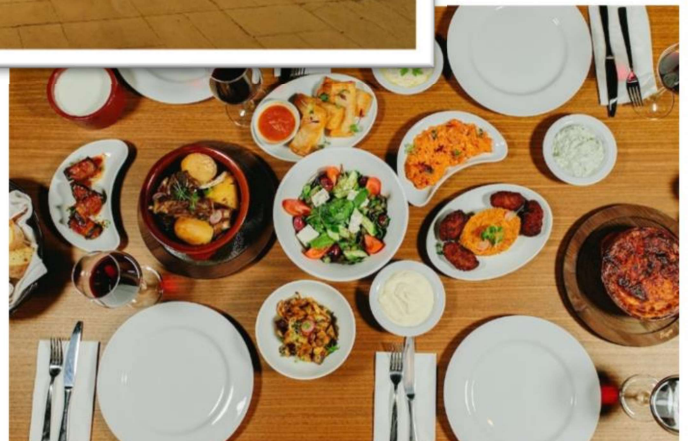
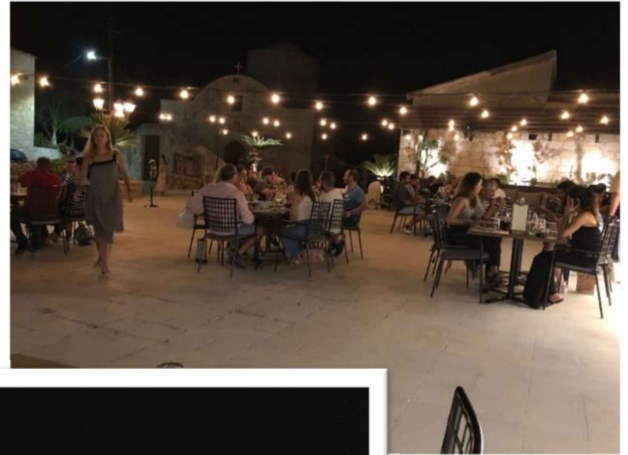
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MYTHICAL RESORT



MYTHICAL SPA

UNITS: 24
TYPE: EN SUITES
BEDROOMS: 1
POOL: COMMUNAL
AREA: PROTARAS
KAPPARIS



MYTHICAL ELITE

UNITS: 4
TYPE: VILLAS
BEDROOMS: 2
POOL: PRIVATE
AREA: PROTARAS
KAPPARIS



MYTHICAL BLUE

UNITS: 29
TYPE: APARTMENTS,
TOWNHOUSES,
VILLAS
BEDROOMS:
1,2,3
POOL: PRIVATE
AREA: PROTARAS
KAPPARIS



MYTHICAL SEAS

UNITS: 40
TYPE: APARTMENTS
BEDROOMS: 1,2,3
POOL: COMMUNAL
AREA: PROTARAS
KAPPARIS



ALMARIA RESIDENCES

UNITS: 36
TYPE: VILLAS
BEDROOMS: 2,3,4,5
POOL: PRIVATE
AREA: PROTARAS
PERNERA



HALKI VILLAS

UNITS: 9
TYPE: SEAVIEW VILLAS
BEDROOMS: 3-5
POOL: PRIVATE
AREA: PROTARAS



MELIADES RESIDENCES

UNITS: 5
TYPE: VILLAS
BEDROOMS: 3,4
POOL: PRIVATE
AREA: PROTARAS
PERNERA



NISSI RESIDENCES

UNITS: 8
TYPE: VILLAS
BEDROOMS: 3
POOL: PRIVATE
AREA: AVIA NAPA
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PLIADES VILLAS



UNITS: 7
 TYPE: SEAFRONT VILLAS
 BEDROOMS: 5
 POOL: PRIVATE
 AREA: AYIA NAPA
 AYIA THEKLA

HESTIA VILLAS



UNITS: 24
 TYPE: SEAVIEW VILLAS
 BEDROOMS: 3,4
 POOL: PRIVATE
 AREA: PROTARAS
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IKARIA VILLAS



UNITS: 2
 TYPE: VILLAS
 BEDROOMS: 3-4
 POOL: PRIVATE
 AREA: PROTARAS

MILOS VILLAS



UNITS: 37
 TYPE: VILLAS
 BEDROOMS: 3-4
 POOL: PRIVATE
 AREA: PROTARAS

EDEN RESIDENCES



UNITS: 17
 TYPE: APARTMENTS
 BEDROOMS: 2,3
 POOL: COMMUNAL
 & PRIVATE
 FOR PENTHOUSES
 AREA: PROTARAS
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SEMERA VILLAS



UNITS: 3
 TYPE: SEAFRONT VILLAS
 BEDROOMS: 5
 POOL: PRIVATE
 AREA: AYIA NAPA

ICON VILLAS



UNITS: 3
 TYPE: MANSIONS
 BEDROOMS: 4,5
 POOL: PRIVATE
 AREA: AYIA NAPA
 AYIA THEKLA

MALAMA GRAND



UNITS: 4
 TYPE: MANSIONS
 BEDROOMS: 5
 POOL: PRIVATE
 AREA: PROTARAS
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