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Cyprus snapshot: options and advantages

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Cyprus has been a member state of the European Union since 2004 and one of the top venues for the incorporation and establishment of businesses across Europe.

Cyprus boasts an impressive list of double tax treaties which can be fundamental to tax planning and the establishment of a business. In addition, Cyprus offers impressive infrastructure for businesses looking to set up an on the ground presence. A British dependency until independence in 1960, Cyprus benefits from a legal system based on English common law, and Cyprus courts may look to the judgments of the courts of England and Wales for precedent and reasoning when deciding cases.

Types of corporate entities

Cypriot corporate entities may be formed as private or public limited liability companies by shares and in rare cases companies limited by guarantee which are all incorporated pursuant to the Cyprus Companies Law. A company may also take the form of a European public limited liability company, more commonly known as Societas Europaea or SE.

How is Cyprus similar to the BVI?

- based on English common law
- a low cost and tax jurisdiction
- public registration of charges and statutory preference to secured creditors' rights on insolvency
- Cyprus insolvency law has specific avoidance regimes for voidable floating charges and fraudulent preference

How is Cyprus different from the BVI?

- documents entered into by Cypriot entities or relating to assets located in Cyprus may be subject to stamp duty if brought into the jurisdiction
- EU member therefore regulated jurisdiction

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- reciprocal enforcement of judgments from other EU member states

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