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on the
ground

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COUNTRY

overview



Cyprus is the third largest island in the Mediterranean Sea with a geostrategic location at the crux of busy shipping and air routes, conveniently linking the continents of Europe, Africa, and Asia. The island, which has a rich cultural heritage and fascinating history dating back more than 10,000 years, has developed into a modern and thriving EU economy offering both international investors and domestic businesses opportunities across a wide range of sectors. This small yet dynamic country has a strong reputation as a 'centre of excellence' for international business activities with its unique clusters of expertise and world-class service capability to support key growth sectors.

Cyprus is a business-friendly jurisdiction, with a highly skilled and multilingual workforce, where doing business is simple and efficient and quality of life is high, the ideal conditions for international businesses to invest, prosper and grow.

COUNTRY

overview

Capitalising on its competitive advantages, continuously improving the business climate and competitiveness, as well as ensuring a stable economic environment, Cyprus aims at further diversifying its economy by driving new sectors with high potential.

These include sectors such as **energy**, **start-ups** and **innovation** and **investment funds**, while also further sharpening its edge in areas in which it has traditionally excelled, such as **tourism**, **shipping**, and **real estate**.

The country is also continuously **enhancing its regulatory framework**, processes and infrastructure to ensure it remains efficient and ahead of the game in today's fast-paced environment.

These efforts underline its commitment to offer a high quality and unique value proposition for investors and businesses worldwide. Cyprus is a business friendly jurisdiction, with a highly skilled and multilingual workforce, where doing business is simple and efficient and quality of life is high - the ideal conditions for international businesses to invest, prosper and grow.



8 reasons

to invest
in Cyprus

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1

positive economic outlook

- Healthy GDP growth
- One of the top ten fastest growing EU economies
- Consecutive upgrades by credit rating agencies
- Positive macroeconomic forecasts



2

access to talent

- The youngest population and workforce in the EU
- Around 60% of the workforce has a tertiary degree
- Business is conducted in English and majority of Cypriots speak English
- Flourishing private education sector with English-taught programmes
- Visa-free access to EU talent
- Easy access to global talent

3

access to markets

- Full access to European markets
- Access to 40+ EU trade agreements with 70+ countries
- Eurozone member since 2008
- Geostrategic position between three continents
- Proximity to both established and emerging markets





4

advantageous regulatory environment

- Closely aligned to the English Common Law legal system
- EU-approved regulatory framework
- Frequently updated to meet investors' changing needs
- Strong protection for investments and intellectual property (IP)
- Establishing a business is simple and fast



5

attractive tax regime

- Competitive corporate tax rate at 12.5%
- Double Tax Treaty network covering 68 countries
- Access to all EU Tax Directives
- Numerous tax exemptions such as on capital gains, dividend income, gains from trading securities, and foreign exchange gains or losses are tax neutral
- Notional interest deduction for equity investment into Cypriot companies
- Attractive personal tax regime for international professionals and non-domiciled individuals
- No succession, inheritance, or immovable property taxes
- Competitive intellectual property regime and tax deductions for investment in start-ups
- Tailor-made provisions for investment funds
- Competitive Tonnage Tax for shipping companies

8 reasons

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6

strong business support services

- Wide range of services for ease of starting and running a business
- Vast pool of top-tier legal, accounting and corporate services providers with strong expertise in cross-border business
- Presence of the 'Big Four' and other major global firms
- Good range of Grade A office space, serviced offices and co-working spaces available in all cities

7

competitive on cost

- Lower labour costs for technical and professional talent than in other major EU capitals
- Among the lowest office rental rates in Europe
- Highly affordable critical business support services

8

quality of life

- Pleasant Mediterranean climate and lifestyle
- Safe country with low crime rates and political stability
- Popular retirement and holiday destination
- High number of blue flag beaches and clean bathing waters



growth sectors

Cyprus offers exciting potential in both traditional and emerging economic sectors and is constantly innovating and enriching its product portfolio. Traditional sectors, such as shipping, tourism and financial services have been the key driving forces of the island's economy for years, while new sectors such as technology and start-ups, renewable energy, investment funds, education and filming offer compelling opportunities for investment.

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growth sectors

ICT/Tech, Entrepreneurship & Innovation

Creating value through ideas and nurturing Cyprus entrepreneurial spirit are amongst the country's top priorities. Innovative research, a rapidly growing start-up ecosystem, highly educated human talent and a range of incentives render Cyprus a perfect choice to start and scale companies. Applied research is encouraged through EU or national funding and an attractive Intellectual Property (IP) box regime, while universities and research centres are established in all major cities boosting cutting-edge innovation. Many successful tech companies have already either relocated or expanded their operations in Cyprus, using the country as a base and gateway to and from the EU.

- Strong ICT and innovation ecosystem
- Vast pool of quality intellectual capital
- Tax incentives for investment into innovative companies and start-ups
- Low costs of launching and running a business
- Start-up Visa and Digital Nomad Visa for third country nationals
- Strong protection from intellectual property regime

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growth sectors

Financial Services, Asset Management & Investment Funds

Cyprus is fast becoming one of the top emerging investment fund centres in Europe, offering unique access to high-growth markets. Determined to stay at the forefront of industry developments and continuously upgrading its legislative and regulatory regime, Cyprus has developed into a key regional domicile for setting up investment funds and establishing asset management companies with global reach.

- Flexible structures such as UCITS and AIFs
- Passporting to any EU member state
- Low set-up and operation costs
- High-quality business support services
- Tax benefits for investors and fund managers
- Transparency and investor protection



growth sectors

Energy

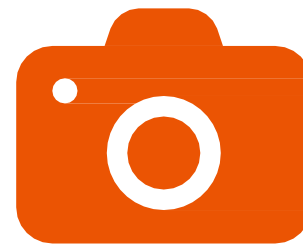
The discovery of hydrocarbons in Cyprus' Exclusive Economic Zone (EEZ) created exciting new prospects for the island to become an energy hub in the Eastern Mediterranean. These developments have attracted worldwide interest and significant investment from leading energy giants as well as renowned international providers operating in the oil and gas auxiliary services sector. Cyprus is also developing into a key regional fuel hub, operating a sophisticated oil storage terminal in Vasilikos, the first terminal of its kind in the Eastern Mediterranean, connecting Europe and the Black Sea with markets in the Middle East and Asia. The island has a strong focus on also developing its renewable energy infrastructure and investing in new solutions to harness its potential and improve its energy mix.

- World-class natural gas discoveries, with contracts granted to ExxonMobil, Chevron, Shell, Total, ENI, Noble Energy, Delek, KOGAS and Qatar Petroleum
- Regional cooperation and synergies for gas exploitation and export
- Multi-billion infrastructure projects such as the EuroAsia Interconnector
- Ideal regional base for serving Eastern Mediterranean region
- Rising importance as a regional fuel hub
- Increasing opportunities and investments in the renewable energy sector

growth sectors

Tourism & Hospitality

Tourism is one of Cyprus' most resilient and strong economic sectors with a significant contribution to the country's GDP. Apart from its natural beauty, excellent weather and spectacular scenery, Cyprus strives to enhance its competitiveness as a premium year-round tourist destination, expanding into niche areas, upgrading its offering and developing new experiences. Strategic large-scale projects, such as luxury resorts, marinas in all major coastal cities and the new integrated casino resort are further stimulating this thriving industry.



- Record-breaking years in tourist arrivals
- Infrastructure revolution
- Numerous prestigious awards and accolades
- Ideal climate and lifestyle
- Most Blue Flag beaches per capita in the EU
- Expanding air and sea routes for enhanced connectivity

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growth sectors

Health

Cyprus offers world-class healthcare services, combining highly skilled medical professionals with state-of-the-art facilities. Public hospitals meet stringent EU standards, while many private hospitals hold prestigious international accreditations. In recent years, substantial global investments have fuelled growth in the sector, further enhancing its capabilities. The introduction of the National Health System, along with increasing opportunities, has positioned healthcare as a key driver of the Cypriot economy.

- Expanding opportunities in private healthcare
- Growing demand for high-quality healthcare services
- Rising popularity of Cyprus as a medical tourism destination
- A hub for innovative medical technologies
- Supportive government policies fostering sector growth

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growth sectors

Shipping

Cyprus is a world-class international shipping centre, offering efficient and high-quality services in a vast spectrum of maritime activities. Capitalising on its strategic location, attractive legislation, operational shipping and communications infrastructure, and its efficient tax framework, Cyprus has successfully built a diversified and robust maritime industry, which offers a unique set of competitive advantages. Cyprus is considered as one of the most reliable and competitive shipping centres in the world in terms of services, registration fees and taxes.

- One of the largest maritime clusters worldwide
- Competitive EU-approved Tonnage Tax system
- European 'Open Registry'
- Third largest merchant fleet in the EU and 11th largest merchant fleet worldwide
- Advanced maritime infrastructure
- Autonomous Shipping Deputy Ministry serving the industry



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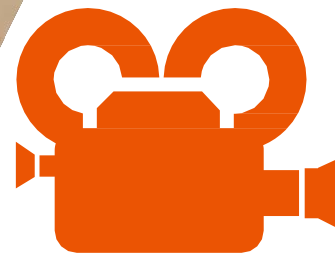
Education

Cyprus is a world-class educational and research centre with high quality academic institutions, offering a large variety of advanced and fully accredited undergraduate and postgraduate programmes, at affordable prices. With a growing industry comprising of both public and private universities and higher education institutions enjoying international academic and scientific recognition, the island attracts thousands of international students every year. Research is widely promoted within academic institutions, with Cyprus holding one of the highest absorption rates of EU research grants.

- High quality institutions and distinguished academics
- Multidisciplinary offering of English-taught programmes
- Close cooperation with prestigious universities and research centres around the world
- State support and EU funding opportunities
- Advanced research and state-of-the-art infrastructure
- Multicultural environment and a large international community

Film Production

Cyprus is a natural filming studio. The island's deep blue seas and sandy beaches, captivating forests and snow-capped mountains, diverse cultural sites and enchanting locations create a unique environment for filming feature films, tv series and documentaries. In addition to its predictable weather with over 300 days of sunshine a year, the country has modern infrastructure, short distances and good connectivity. Cyprus also offers important incentives encouraging film production. For example, production companies that opt to film in Cyprus can choose between a cash rebate or tax credit and can also benefit from tax discounts on investments made on equipment and infrastructure, and VAT returns on expenditure.



- Tax incentives and strong domestic pool of film and audio-visual professionals and production companies
- Predictable weather with 300+ days of sunshine
- A variety of scenery, both rural and urban, coastal and mountainous
- Rich historical and cultural heritage with ancient monuments and sites
- Short internal distances, modern infrastructure and communications
- Short distances from major neighbouring countries

what we can do for you

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about vertu

Vertu Projects Ltd,
48 Themistokli Dervi,
Centennial Tower, Office 501,
1066, Nicosia, Cyprus
T: + 357 22 28 51 58
info@vertu.cy
www.vertu.cy



Vertu Projects Ltd is a CySEC-regulated firm with over 20 years of experience serving a global client base, including leading fund managers, private equity groups and SMEs.

Our core services include:

- Fund Administration (full scope, from setup to ongoing management)
- Registration & administration of Cyprus companies (holding & operational)
- Relocation and re-domiciliation advisory and guidance
- Nominee directorship, company secretary & registered office
- CFO, Accounting, VAT, and Payroll services
- International Tax Structuring and advisory
- Transfer Pricing studies based on OECD guidelines
- Equity & Debt fundraising

Disclaimer

The information available in this guide intends to provide a general introduction to the business environment in Cyprus, and every reasonable effort is being made to ensure its accuracy and timely amendment. In no circumstances shall Vertu be be legally bound as a result of any information contained in this guide.